THE FEDERAL
VINCIAL
NSUMER
CATION AND
IN LANGUAGE
K FORCE
World
MODULE IX

P R O J E C T R E A L W O R L D

ECONOMIC LIVING SKILLS FOR HIGH SCHOOL STUDENTS

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An activity-based resource to orient young people to the realities and opportunities of the marketplace.

A publication of the Federal/Provincial Consumer Education and Plain Language Task Force

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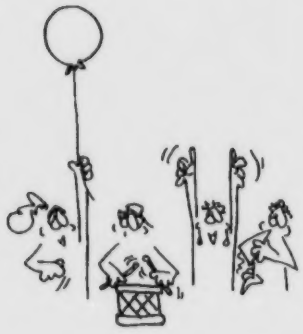

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PROJECT REAL WORLD
ECONOMIC LIVING SKILLS FOR HIGH SCHOOL STUDENTS

Why Marketplace Education?
We live in a complex, market-based society. Every day, each of us interacts in a hundred different ways in the marketplace — managing our money, deciding on a purchase, dealing with a landlord, advising a manufacturer about a faulty product, or working in the service or retail industry. The marketplace plays a central and vital role in all Canadians' lives. In fact, it is in the marketplace, more than in any other area of our society, where we are most challenged to function effectively and contribute productively.

Technological advances and ongoing economic and social change mean that Canadian society and the marketplace will become even more complex as each year passes.

Some recent trends which have shaped today's marketplace include:
- **technological advances** such as electronic banking and automatic tellers, credit and debit cards, electronic scanners and UPC codes, and electronic gas pumps;
- **a rapid increase in the number of products and services available** - close to 1,500 new food products become available each year;
- **the increasing sophistication of marketing techniques** - for example, telemarketing and TV shopping;
- **the tremendous influence of advertising** - the average Canadian sees or hears close to 1,500 ads per day;
- **the increasing technical and chemical complexity of common household items** - today the average home has more chemicals under the kitchen sink (cleaning products) than were in a chemistry lab 50 years ago;
- **the increased earning and spending power of children and young people** - Canadian youth (15 to 23 years) spend $3.5 billion a year in the marketplace;
- **the increasing concern about environmental protection** - many consumers think about how the products they buy will affect the environment.

Today's consumer requires greater knowledge and a broader range of skills than ever before. Acquiring the necessary knowledge and skills is too important to be left to chance. Young people will be best equipped to participate effectively in Canada's dynamic and changing marketplace if they are provided with systematic instruction in marketplace education.

What is Project Real World?

Project Real World provides students with systematic instruction in economic living skills. It is a practical, relevant resource to provide high school students in grades 10 to 12 with an orientation to the economic realities and opportunities of our society.

The program will help students to:

1. Prepare for and function effectively within the rapidly changing marketplace;
2. Manage their personal and financial resources;
3. Make educated choices which reflect personal values; citizenship responsibilities; and social, economic and environmental considerations;
4. Understand their rights and responsibilities as consumer-citizens;
5. Participate effectively in economic and government systems; and
6. Recognize the importance of entrepreneurship in the marketplace and the career opportunities it affords.

Project Real World is made up of five separate modules:

1. **The Canadian Marketplace and You**
2. **Your Economic Decisions**
3. **Resource Management Skills - What Money Can't Buy**
4. **Entrepreneurship and the World of Work**
5. **Citizen Participation in Canada's Market-Based Society**

Project Real World can be used in its entirety as a separate course. The activities which make up a core program are identified in bold type in the Table of Contents. As well, sections and individual activities can be used as supplements to subjects such as Business Education, Home Economics, Law, Economics, Social Studies, or Mathematics.

Project Real World is an activity-based program not a textbook. It has been designed so that students are participating and involved, having fun while they learn basic concepts and achieve fundamental understandings about the marketplace and their role in it.

Many of the activities are community-oriented. They will take students out of the classroom and into the community where they live. They will also bring members of the community into the classroom. Whether students are learning in the classroom or in the community, the program requires them to use processes which simulate those needed to deal effectively with "real-life" situations.

Each module contains more activities than any one teacher will use in exploring a concept. This is intentional so that teachers can choose those activities which best meet the needs, interests and circumstances of their students. Teachers are encouraged to adapt and modify the activities as needed.

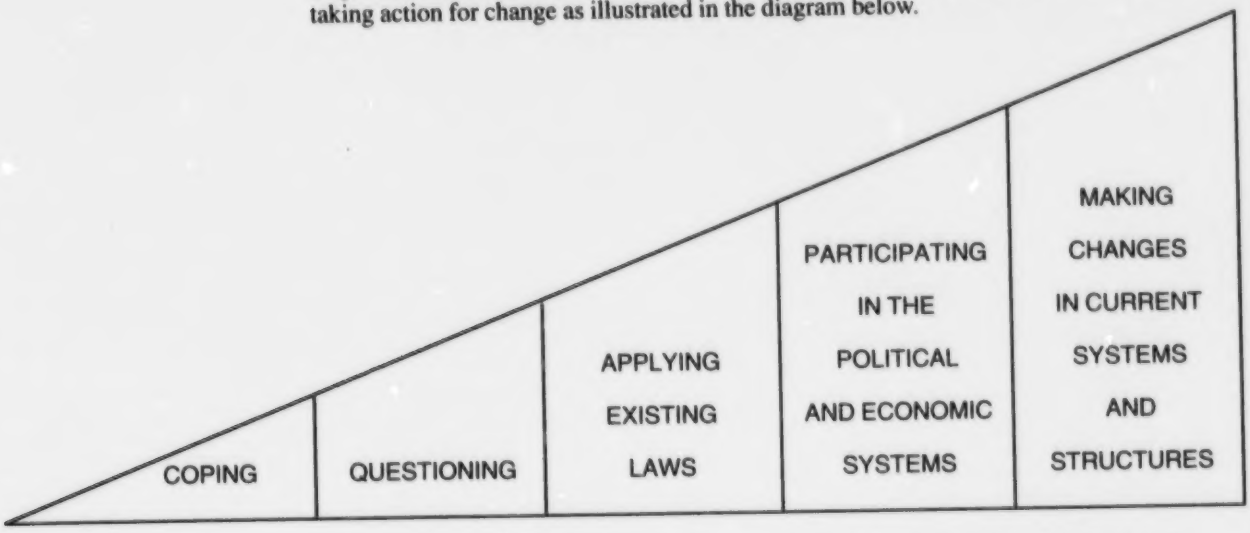
Finally, the resource is self-contained. Teachers will find all the background information they require in the "For the Teacher" section which accompanies each section.

Project Real World is Being Used Across Canada

Project Real World was developed cooperatively by six Canadian provinces. It is being used across Canada. For this reason, some sections (those relating to consumer law, for example) are written without province by province detail. Contact your provincial department of consumer affairs (the name varies slightly from province to province) to get information on the consumer laws in your province.

Project Real World's Theoretical Framework

The scope of **Project Real World** is broader than many traditional Consumer Studies programs which are often limited to teaching students to shop wisely. **Project Real World** is designed to prepare students to take an active role in influencing and shaping the marketplace. It addresses a progression of consumer skills from coping to questioning to taking action for change as illustrated in the diagram below.



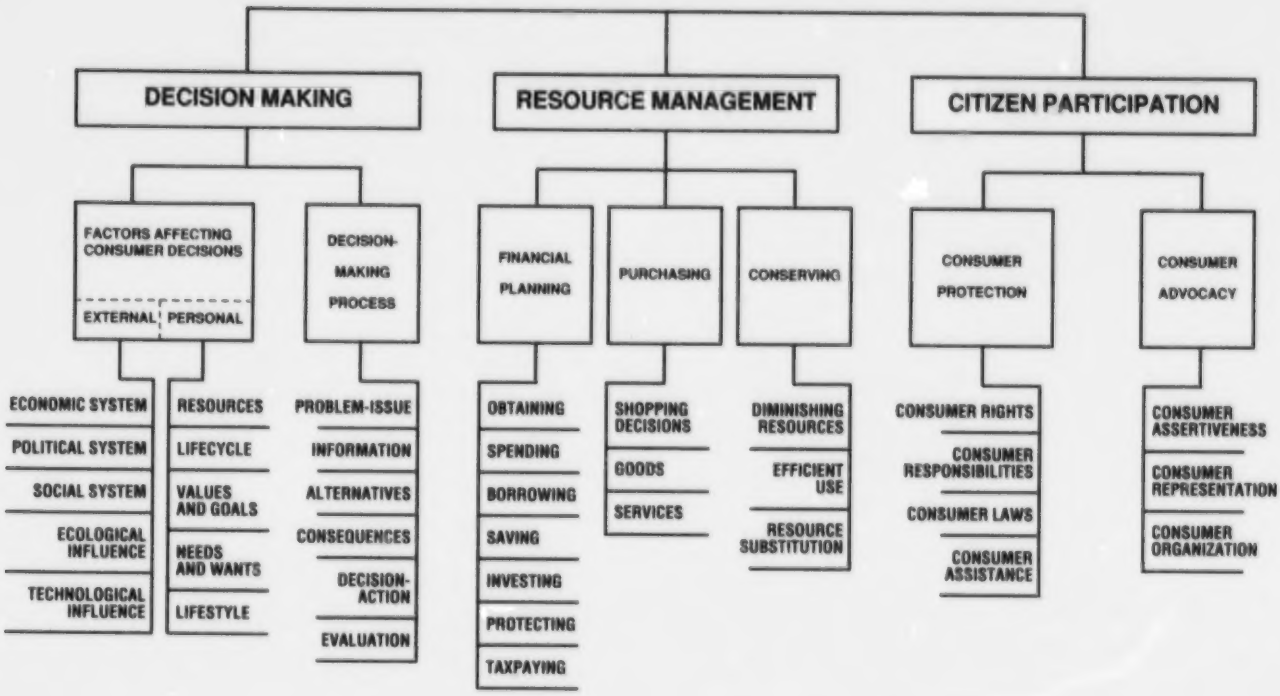
Accordingly, it includes sections on the economy, and on the political and social influences in the marketplace. It includes sections on both earning and spending money and provides students with information about how individuals and groups can bring about change.

There is heavy emphasis on decision-making throughout **Project Real World**. Decision-making, based upon personal priorities, is the key to making marketplace choices and to effecting change in the marketplace and in the economic system.

The conceptual framework upon which **Project Real World** is based appears on the next page.

Classification of Concepts in Marketplace Education

Marketplace Education is the process of gaining the knowledge and skills needed to manage economic and personal resources and take actions to influence the marketplace



Source: Charles Monsma and Rosella Bannister
Classification of Concepts in Consumer Education. South-Western Publishing, 1982. Used with permission.

PROJECT REAL WORLD
ECONOMIC LIVING SKILLS FOR HIGH SCHOOL STUDENTS

OUTLINE OF CONTENTS

I. THE CANADIAN MARKETPLACE AND YOU

A. The Canadian Marketplace
- Change
- Technology and the Marketplace
- The Marketplace and the Environment

B. The Consumer and the Economy
- The Economic System
- Interdependence
- Economic Problems

C. Political and Social Systems Influence the Marketplace
- Government: Public Policy, Regulations, Interest Groups
- Society and the Individual: Roles, Cultural Values and Quality of Life
- Social Change: Households and Workplace
- Advertising

II. YOUR ECONOMIC DECISIONS

A. Focus on the Individual
- Needs and Wants
- Values and Goals
- Adult Roles, Responsibilities, Choices and Freedoms
- Influences: Advertising, Peers, Family and Resources
- Lifestyle

B. Decision-Making & Problem Solving in Everyday Living
- The Decision-Making Process
  - Defining Problem
  - Gathering Information Alternatives
  - Consequences
  - Action - Trade-offs
  - Evaluation
- Everyday Decisions

C. Choose To Conserve
- Becoming Aware
- What You Can Do

III. RESOURCE MANAGEMENT SKILLS - WHAT MONEY CAN'T BUY

A. Financial Planning
- Income
- Spending Plan - Record Keeping
- Savings and Investment
- Banking
- Credit
- Insurance
- Taxes

B. Shopping Skills
- Marketplace Information
  - Food
  - Clothing
  - Housing
  - Furniture, Appliances and Electronic Equipement
  - Transportation
  - Recreation and Leisure
- Comparison Shopping

IV. ENTREPRENEURSHIP AND THE WORLD OF WORK

A. Self-Inventory
- Values, Goals - How Much Does It Cost?
- Motivation
- Self-Confidence Assessment
- Skill Inventory
- Stress Management

B. Career Planning
- The Sky Is the Limit
- Looking At All the Options
- The World of Work Is Changing
- Women in the World of Work
  - Changing Roles and Attitudes
- Changing Careers and Lifelong Learning
- Your Career Plan

C. Entrepreneurship
- Entrepreneurship in Your Community
- The Entrepreneur as an Individual
- Business and Venture Development
- Business Management
- Co-operative Entrepreneurship
- Social Responsibility and Business

D. Getting a Job
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- The Job Search
- Putting Your Best Foot Forward
  - Selling Yourself
  - Behaviour (Relationships)
  - Dress
  - Employer's Expectations

V. CITIZEN PARTICIPATION

A. Consumer Rights and Responsibilities
- The Right to Safety/The Responsibility to Beware
- The Right to be Informed/The Responsibility to Be Aware
- The Right to Choose/The Responsibility to Think Independently
- The Right to Be Heard/The Responsibility to Speak Out
- The Right to Redress/The Responsibility to Complain
- The Right to Consumer Education/
  The Responsibility to be a Competent and Ethical Consumer
- The Right to a Healthy Environment/
  The Responsibility to Protect and Respect the Environment

B. Consumer Protection Laws
- Consumer Protection Laws
- Consumer Assistance

C. Making Yourself Heard: The Consumer Citizen
- Consumer Assertiveness
- Consumer Representation and Organization

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MODULE III:

RESOURCE MANAGEMENT SKILLS - WHAT MONEY CAN'T BUY

TEACHER NOTES

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Activities in bold type are recommended core activities to be completed when **Project Real World** is used as a full course of instruction.

FINANCIAL PLANNING

Introduction

Like all resources, money is scarce, so it is important to make thoughtful informed decisions about the way it is used. In order to make these decisions, it is important to gather information, consider priorities, consider alternatives and their implications and finally make a choice. This process is known as **financial planning**. Governments, multinational corporations, small companies and charitable organizations all use financial plans to help them make best use of their money and achieve their goals. An individual is no different. Good personal financial plans don't restrict you, rather they offer freedom because they provide a means for you to realize your goals and to achieve the lifestyle that you wish to have.

Purpose

The purpose of this chapter is to introduce basic personal economics to students.

Scope

Eight topics are covered in the chapter "Financial Planning". They are:

1. Income
2. Spending Plan
3. Savings and Investment
4. Banking
5. Credit
6. Insurance
7. Taxes
8. Choices and Challenges

Sections of this introduction have been adapted from: Leet, Don R. and Driggers, Joann (1984). *Economic decisions for Canadian consumers*. Markham, Ont.: Wadsworth. Used with permission.

1. INCOME

For the Teacher

Sources of income for teenagers include part-time jobs, allowances, handouts from parents, paid jobs at home, and cash gifts. Over 50% of Canadian teens are employed on a part-time basis. Canadian young people have $3.5 billion to spend in the marketplace each year.

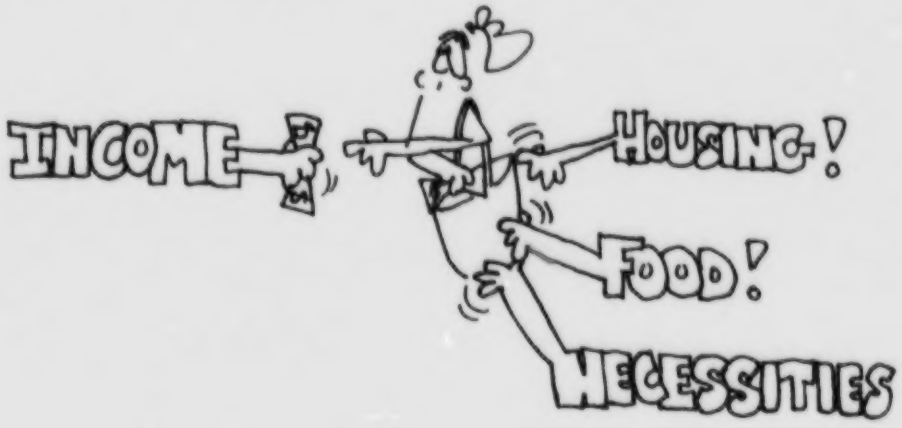
Because the majority of students are living with their parent(s), often most of this money is disposable income. It is not allocated for food, housing or other necessities. It is often spent on goods and services that enhance the young person's lifestyle, for example, grooming products, transportation and entertainment.

When students graduate from high school, their financial situation often changes dramatically. Students who enter the work force have to buy all of their needs from their own salaries. Those who pursue further education often find that their own earnings are not adequate and that they must be supplemented with student loans or contributions from parents.

Sources of income change throughout the life cycle. After completion of formal education, a job or the operation of a small business is the main source of income for most people. After people retire, however, pensions and investments become important sources of income.

Related Content

Module I, The Canadian Marketplace and You; Chapter 2, The Consumer and the Economy; Topic 3, Social Change: Households and the Workplace.



ACTIVITY #1

PERSONAL FINANCIAL HISTORY

Objectives:

Students will be able to:

1. Calculate their lifetime income.
2. List the sources from which their income came.

Teacher Preparation:

Duplicate copies of the student handout "My Lifetime Income to Date". Ensure that students have calculators available.

Time:

One-half class period.

Procedure:

Have students write down (approximately) all of the money they have received during their lifetime and the sources of that money. Some possible sources of income include: allowances, gifts, awards, part-time or summer jobs, inheritances, etc. In order to complete this task, students will have to cast their memories back to earliest childhood. Provide students with a copy of the handout "My Lifetime Income to Date".

Have students total their lifetime income and then identify how much of this income has been saved.

Discuss with students their reaction to the total they calculated. Were they surprised at how much money had passed through their hands? Is there a lesson in this for future financial planning?

Evaluation:

Student self-evaluation is most appropriate for this activity since financial information is often be considered confidential.

STUDENT HANDOUT:

LIFETIME INCOME TO DATE

To accompany Activity #1, "Personal Financial History"

Age	Weekly Allowance		Yearly Total
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
_____	_____	x 52 =	_____
		TOTAL	_____

Other Sources of Income Received to Date (Approximate):

Gifts (Christmas, Birthday, etc.) _____

Part-time Jobs (babysitting, paper routes, mowing lawns, etc.) _____

Inheritances _____

Other _____

Allowances (use total from above) _____

TOTAL _____

ACTIVITY #2

WHERE DOES YOUR MONEY COME FROM

Objectives:

Students will be able to:

1. List a variety of sources of income.
2. Identify and explain government payments.

Time:

One class period.

Procedure:

In the previous activity, students calculated the amount of income they had earned in their lifetime and identified the sources of that income. Explain to the class that government payments are another source of income. Some payments such as Family Allowances are paid to all parents with children under 18. Other government payments, social assistance for example, go to those in particular need. Governments also subsidize education, health care, day care and other social services. Payments that the government makes to individuals or the goods and services that government provides is paid for by the taxpayer, through provincial and federal sales tax and income tax.

Divide students into groups of three or four. Have the groups brainstorm as many sources of income as possible. One person in each group should serve as recorder and write down all the sources of income identified. The group should then circle all the sources of income which are government payments.

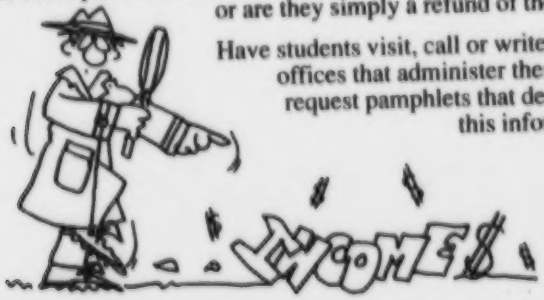
Some possible sources of income are:

- Wages and salaries
- Employee benefits
- Family Allowance
- Scholarships and grants
- Awards and prizes
- Loans from financial institutions
- Life insurance benefits
- Annuities
- Interest from savings accounts
- Dividends from investments
- Inheritances and gifts (for people over 65)
- Canada Pension Plan payments
- Unemployment Insurance payments
- Disability insurance
- Orphans Allowance
- Social Assistance/Welfare
- Bartering
- Loans from family or friends
- Garage sales
- Second-hand selling
- Lotteries
- Guaranteed Income Supplement
- Crop Insurance payments

At the conclusion of the activity call the class together again and compile a master-list of sources of income, noting those which are government payments.

An interesting discussion might result regarding the categorization of items such as Canada Pension Plan and Unemployment Insurance payments. Workers' contributions to these plans are deducted from every cheque. Are those payments government payments or are they simply a refund of the workers' own money?

Have students visit, call or write their local provincial and federal offices that administer these income programs. Students can request pamphlets that describe the programs and could share this information in a follow-up class.



Evaluation:

To assess whether the objectives have been attained, examine the master-list compiled by the class. Have students identified most of the major sources of income? Can they distinguish government payments from other types of income?

2. SPENDING PLAN

For the Teacher

A spending plan is simply a written record of your income and expenses so that you can control your money. The most successful spending plans are the simplest. The thought of long hours or difficult bookkeeping would tend to "turn off" the most dedicated record keeper. It is important that students first identify their goals, both long-term and short-term, before setting up a spending plan. (The use of the word "budget" should be avoided in this section because it has a negative meaning for many people, implying that one has to pinch every penny or live according to someone else's rules.) The following points about a spending plan should be noted.

- **A spending plan is simply a guide.** It is not a detailed account of every nickel and dime you spend.
- **A spending plan is not a straight-jacket.** It is flexible and adjusts as your daily situation changes.
- **A spending plan is as individual as your fingerprints.** It presents a picture of your life - your income, your needs and your wants.
- **A spending plan is intended to help you get the most for your money.** Instead of asking yourself "Where has my money gone?", you will be able to say, "These are the things I need and want, and this is how I am going to get them".

A spending plan also:

- **enables you to save;**
- **encourages you to meet financial commitments; and**
- **helps create an awareness of your values and goals.**

To handle your money without a plan is like staging a play without a script, writing an exam without studying, or running a football play without a huddle. There are many ways to set up a spending plan. First of all, it must be individualized to your needs to be effective.

A successful spending plan begins with a net worth statement showing what you owe and what you own. A net worth statement is not only a personal or family financial record, it also provides a "ball park" figure for insuring your possessions when the need arises. After you have established your exact "money value" you can then proceed to plan your spending.

A net worth statement calculated once a year (at tax time) allows you to assess your progress toward achieving your financial goals.

ACTIVITY #1

WHAT ARE YOUR SPENDING HABITS?

Objectives:

Students will be able to:

1. Identify the strengths and weaknesses of their personal money management.
2. Suggest ways of improving those areas in which their money management is poor.

Teacher Preparation:

Duplicate class set of the handout "Your Financial Check-up".

Time:

One class period.

Procedure:

Distribute the handout "Your Financial Check-up". Instruct students to fill out the questionnaire. Emphasize that they should answer questions honestly as there are no right or wrong answers.

Discuss financial areas in which students feel particularly vulnerable. How can they change or correct areas in which their money management is poor. Brainstorm ideas for improving students' money management skills.

Evaluation:

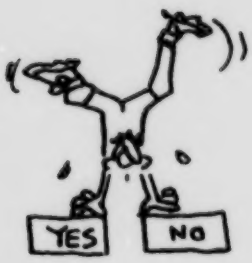
Student self-evaluation.

A responsible money manager would have answered "yes" to at least eight out of ten questions - those numbered 1, 2, 3, 7, 8, 9, 12, 13, 14, 15 and 18, and "no" to five out of seven questions - 4, 5, 6, 10, 11, 16 and 17.

STUDENT HANDOUT:

YOUR FINANCIAL CHECK-UP

To accompany Activity #1, What are Your Spending Habits?



		Yes	No
1.	Do you plan ahead and save for large expenditures, i.e. stereo, concert tickets, coat, car, designer jeans?	☐	☐
2.	Have you ever kept a written record of your expenditures for at least one month?	☐	☐
3.	Have you ever examined your record of expenditures and made necessary changes in your spending?	☐	☐
4.	Are you often "broke" before your next allowance or income is received?	☐	☐
5.	Do you make yourself miserable and unhappy by wishing for something you want but cannot afford?	☐	☐
6.	Do you think that you spend too much money on personal items, i.e., makeup, haircuts, shampoo?	☐	☐
7.	Can you have fun without spending money?	☐	☐
8.	Do you usually resist the spending pressures of friends?	☐	☐
9.	Are most of your purchases needed?	☐	☐
10.	Do you often borrow money or get an "advance" from your parents or friends?	☐	☐
11.	Do you always buy the latest fashion in clothes?	☐	☐
12.	Do you know how much money you spend monthly on food eaten away from home?	☐	☐
13.	Do you make it a habit to go to more than one store to compare price and quality before deciding on a big purchase?	☐	☐
14.	Would you say that about half or more of your purchases are planned in advance and are not merely "impulse buying"?	☐	☐
15.	Can you resist buying items you don't need even though they're on sale?	☐	☐
16.	Does advertising affect your spending?	☐	☐
17.	Do you owe money?	☐	☐
18.	Do you know what your usual weekly expenses are?	☐	☐

Score:

Count up the "yes" and "no" answers.	Yes	No
Are you a good money manager?		

Source: Making Your Money Count, Level 2, Manitoba Agriculture. Used with permission.

ACTIVITY #2

SETTING UP A SPENDING PLAN

Objectives:

Students will be able to:

1. Design a monthly spending plan for a sample pair of room-mates.

Teacher Preparation:

Duplicate class sets of the handouts:"Our Spending Plan" (optional) and "Setting Up a Spending Plan". Use the master provided to make the Transparency, "Your Spending Plan". Have a supply of current newspapers and advertising fliers on hand.

Time:

Two class periods.

Procedure:

Using information in "For the Teacher" and the Transparency "Your Spending Plan" briefly review the advantages and disadvantages of having a spending plan. Give the class five minutes to jot down the items they have spent money on during the past week. Many of the students won't be able to recall what they have spent their money on. Point out that **knowing where your money is going is the first step in developing a spending plan.** That is why it is very important to get into the habit of recording your expenditures in an organized fashion. Make certain that your spending plan is written down. A spending plan in your head can be too easily forgotten.

Distribute the handout "Setting Up a Spending Plan". Have students work in groups of two. The members of each pair can be of the same or opposite sex. Each pair represents a living unit. The living unit can be composed of a brother and sister, a pair of friends, a married couple, or room-mates whose relationship is business-like rather than friendly. Each pair should pretend that they have just entered the workforce. They have just graduated from high school or university and are in their first real jobs.

Assign each pair a different monthly net income figure, ranging from minimum wage to the wage that would be earned by a professional in an entry-level position. Ask each pair to prepare a spending plan based on real costs in your area. They will need to refer to ads for the cost of housing and food, and ask their parents or other adults for information about the cost of utilities and insurance. Students should develop an outline for their spending plan with categories that reflect various types of expenses. If some students have trouble doing this, distribute the handout "Our Spending Plan" which provides a list of categories.

After students have completed their spending plans, assign one of the following situations to each pair:

- the car breaks down and needs a major repair.
- you win $200 in the lottery.
- someone steals the bicycle that you use to go back and forth to work.
- you're just starting a new job and don't have any accumulated sick-leave. You break your leg and have to take a week off work without pay.
- your grandfather dies and you have to fly to another province unexpectedly.
- your union and your employer sign a new collective agreement and you receive $500 retroactive pay and a 4% salary increase.
- your car insurance comes due.

Have each pair prepare a written plan for coping with the financial change or crisis.

After students have completed their plans, discuss them in class.

Compare the spending plans of various partners. Instruct each pair of students to identify to the class how they reached their financial decisions. How many forgot to account for expenses such as entertainment, savings, utility bills, other?

Have students discuss ways of increasing income and/or decreasing expenses if their spending plans did not balance. The following questions might be asked:

- Is your total income correct?
- Where are you overspending?
- Which expenses can be reduced?
- How much can these expenses be cut?
- Can any expenses be shifted to another budget period?
- Can any expenses be eliminated?
- Do you need to readjust your goals?
- What changes did you introduce in order to cope financially with the unexpected financial change or crisis?

Ask students to hand their plans in.

Evaluation:

Examine students' spending plans. Do they provide for necessary expenses? Are cost estimates reasonable? Does income equal or exceed expenses?Additional Activities:

Additional Activities:

1. Have students prepare individual spending plans for going to university or technical school. They should estimate their income and their expenses over the duration of the program.
2. Have students prepare spending plans for people who are at different stages of the lifecycle, perhaps: a young single parent, a married couple with children, a single professional person, a middle-aged couple with grown children, an elderly widow or widower.

STUDENT HANDOUT:

SETTING UP A SPENDING PLAN

To accompany Activity #2, "Setting Up a Spending Plan"

We all like to dream, but very few of us will earn enough money to make all our dreams that cost money come true. We're not likely to win the lotto or be given money by a rich relative. Most of us have to live on what we earn. However, we each have the power of **choice** and the chance to **plan** for a better future.

No two people have exactly the same needs and wants. And as we grow older, needs and wants change. Most families go through times of "feast and famine" as they pass through different stages in their lives.

These stages include the beginning years when you're just getting started - going out on your own for the first time - buying furniture, a car or dishes. Later years may bring marriage or children. Your expenses will mount and you may find your income doesn't keep pace with your expenses, particularly as children grow up. When people become older they begin to think about retirement; paying off any mortgages or loans becomes a priority. Extra money often goes into investments and retirement plans.

The best way to plan ahead is to set up a **spending plan** to help you do what you want with your money. A plan will help you achieve both short and long-term goals. It will help you avoid stress that results from bill collector's phone calls and from doing without because there isn't enough money to go around. It gives you control of your money.

A spending plan is a plan for handling income and expenses. Every month money comes into your household and is spent on needs and wants. This movement of money is called cashflow. Controlling this cashflow is what planning is all about.

There are two types of expenses - **fixed expenses** and **flexible expenses**. Fixed expenses are those expenses that tend to stay the same each month, e.g., rent or cable. Flexible expenses are those expenses that change from month to month, such as groceries, clothing and recreation. Some fixed and flexible expenses such as car insurance and Christmas gifts occur on an irregular basis.

Remember, unexpected events may upset your plans. Life rarely runs according to plan and it's wise to set aside funds for the future. Savings should be a planned part of the plan - not just what is left over. A spending plan should be flexible and updated at least once a year. In addition, a change in your financial situation (a raise, an unexpected debt) requires a change in the plan.

Remember, you control your money - it doesn't control you. Your income and expenses will change as you pass through the different states in your life and your spending plan should reflect those changes.

TRANSPARENCY
YOUR SPENDING PLAN

To accompany Activity #2, "Setting Up a Spending Plan"

YOUR SPENDING PLAN

- **A spending plan is simply a guide.**
- **A spending plan is not a straight-jacket.**
- **A spending plan is as individual as your fingerprints.**
- **A spending plan is intended to help you get the most for your money.**

STUDENT HANDOUT:

OUR SPENDING PLAN

To accompany Activity #2, "Setting Up a Spending Plan"

Income and Expenses for the Month of _____

Names: _____

Income

Full-time work	_____	
Part-time work	_____	
Student Loans and bursaries	_____	
Financial help from parents	_____	
Loans	_____	
Other Income	_____	
Total Income		_____

Expenses

Housing	_____	
Rent	_____	
Heating	_____	
Electricity	_____	
Telephone	_____	
Home insurance	_____	
Furniture	_____	
Other	_____	
Total		_____

Food

Food and household products	_____	
Meals and snacks eaten out	_____	
Total		_____

Clothing

Clothes and shoes	_____	
Household linens	_____	
Laundry and dry cleaning	_____	
Total		_____

Transportation

Private car (gas, payments, repairs, insurance, licence)	_____	
Public transportation	_____	
Total		_____

Education

Tuition fees and registration	_____	
Books and school supplies	_____	
Other	_____	
Total		_____

Recreation

Sports	_____	
Entertainment	_____	
Vacations	_____	
Other	_____	
Total	_____	_____

Personal Care

Medical expenses	_____	
Medication and prescriptions	_____	
Haircuts, perms	_____	
Cosmetics	_____	
Dental expenses	_____	
Other	_____	
Total		_____

Savings

Total		_____

Miscellaneous

Gifts	_____	
Repairs	_____	
Payments	_____	
Life insurance	_____	
Hobbies	_____	
Debts	_____	
Other	_____	
Total		_____
Total Expenses		_____
Total Income		_____
Surplus or Deficit		_____

ACTIVITY #3

EASY RECORD KEEPING

Objectives:

Students will be able to:

1. Analyze their income and expenses.
2. Set up a realistic personal spending plan.

Teacher Preparation:

Using the masters, make the Transparencies, "Balancing Income and Expenses" and "Keeping Track of Your Money".

Time:

One period for introduction. One class period for preparation of spending plan.

Procedure:

Tell students that in this activity they will set up a personal spending plan which will help them achieve their financial goals. Discuss the steps in preparation of a spending plan with students before they begin preparing a personal spending plan.

Step 1: Know Your Income
Include take-home pay and any other regular income like Family Allowance and allowances from parents. The total is the amount you have to work with each month.

Step 2: Keep Track of Your Spending
Record all of your expenses in a notebook that you carry with you at all times. Write down everything - even candy and soft drinks. At the end of a week or a month, group expenses into categories such as clothing, entertainment and car expenses and total each category. It all adds up.

Step 3: Pay Yourself First
Plan for regular savings every paycheque. Saving should be your first priority, not just what's left at the end of the month.

Step 4: Plan for Irregular Expenses
Irregular expenses include birthday and wedding gifts, Christmas presents, car insurance, school supplies, vacations, winter coats and boots, etc. On a calendar note when these irregular expenses occur.

Step 5: Set Up Your Spending Plan
Fact: You have $ _____ to spend each month.
Fact: You plan to save $ _____ each month.
Fact: Your usual expenses total $ _____ each month.
Fact: Your special expenses total about $ _____ in a year.

After students have analyzed their current income and their spending habits, have them develop a spending plan for the months ahead. They may want to reduce their expenses in certain categories or increase their income by getting a part-time job.

Evaluation:

For those students who prefer to keep personal financial information private, self-evaluation should be used. For other students, assess whether Objective #1 has been achieved by examining their list of income sources and their notebooks. Is all relevant information recorded? Assess whether Objective #2 has been achieved by examining their spending plans. Do they provide for savings and irregular expenses? Are their expenses less than or equal to their income?

Additional Activities:

Have students develop a filing system for their receipts and other important papers. A filing system:

- **Prevents you from wasting time looking for an instruction booklet, warranty card for your hair dryer, Walkman, etc.**
- **Enables you to keep track of receipts you may need as proof of purchase, in case of exchange or defect.**
- **Prevents loss of important papers.**
- **Gives you a place to keep your weekly or monthly salary statement.**
- **Encourages you to keep cancelled cheques and other bank related documents in one place.**

There are several different types of filing systems:

- **Accordian file folders available through stationery stores.**
- **Cardboard boxes with manila file folders.**
- **Tall envelopes with an opening at the top, stored in a soap box.**
- **A simple plastic folder.**

TRANSPARENCY
KEEPING TRACK OF YOUR MONEY
To accompany Activity #3, "Easy Record Keeping"

KEEPING TRACK OF YOUR MONEY

Before you set up a spending plan:

Step 1:
Know Your Income

Step 2:
Keep Track of Your Spending

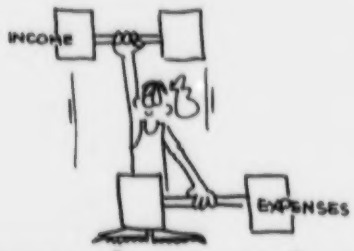
Step 3:
Pay Yourself First

Step 4:
Plan for Irregular Expenses

Step 5:
Set Up Your Spending Plan

TRANSPARENCY
BALANCING INCOME AND EXPENSES
To accompany Activity #3, "Easy Record Keeping"

BALANCING INCOME AND EXPENSES



If your income is greater than your expenses - this is great.

If your totals are the same - this is fine too.

But, if your expenses are greater than your income, it's time to make adjustments. You have two choices - cut expenses or increase income.

3. SAVINGS AND INVESTMENTS

For the Teacher

Students completing their high school education probably may not have had enough income to establish a savings or investment plan. If they have saved money it might have been for a specific purpose such as to buy an expensive item, go on a trip or pay for their post-secondary education.

People save for many reasons, including:
- **to meet short-term goals**
- **to provide for emergency needs**
- **to accumulate money for future investing**
- **to earn interest**
- **to provide a feeling of security**

There is no risk associated with saving. In fact, people usually gain, because the financial institution promises to pay you a certain amount of interest. The only situation in which you will not gain is when the rate of interest is lower than the inflation rate.

Savings are one type of investment, but there are other types as well. **Stocks, mutual funds** and **gold coins** are some other types of investment. **There is some degree of risk associated with these other types of investment.** Their value goes up and down depending upon the economy.

After leaving high school, young working adults or students living away from home spend a significant portion of their income just on the necessities of life. At this stage of life, expenses are high and incomes are usually lower than they are later in life. There is usually little income available for saving or investing.

The main objective of this section is to familiarize students with the common low-risk savings vehicles such as savings accounts, term deposits and Canada Savings Bonds. It is also important to emphasize that additional education or training can be one of the soundest investments of all.

Investments which have some degree of risk should only be considered by individuals who have a firm financial base. Investments can be high-risk or low-risk. The return on investments varies according to the degree of risk involved. Individuals each have their own degree of tolerance regarding risk. It is important only to invest if you are comfortable with where and how much you are investing.

ACTIVITY #1

SAVING MONEY

Objectives:

Students will be able to:

1. List at least five advantages of saving.
2. Determine where the best savings rates may be obtained.
3. Choose a savings account that offers the highest rate of return and/or gives them the features they want.

Teacher Preparation:

Contact financial institutions and ask them to cooperate with students. Duplicate a class set of the handout "Survey of Alternate Savings Plans".

Time:

One-half class period for introduction. One or two hours out-of-class time for research. One class period for comparison of research findings.

Procedure:

With the class, brainstorm some of the advantages of saving. Write these on the board as they are mentioned. Then tell students that the activity they are about to do will provide them with information about the savings programs available from different financial institutions (banks, credit unions and trust companies).

Divide students into groups. Assign each group to a different financial institution in the community. Have students survey the financial institutions to get information about the various savings plans available. The handout "Survey of Alternate Savings Plans" suggests questions that might be asked and provides room to record information.

When the survey has been completed, compare in class the plans offered by the various financial institutions. If time permits, prepare a large class chart comparing the different savings plans. Encourage students to discuss questions such as the following:

- **Why do interest rates paid on savings differ from one institution to another?**
- **Why might it be sensible for some people to save in an account with a relatively low rate of interest?**
- **Why do financial institutions have different interest rates for different forms of saving within their institutions?**
- **What do financial institutions do with the savings provided by depositors?**
- **Does it pay for a consumer, a government or the owner of a business to shop around for a place to save? Explain your answer.**
- **Why are savings deposited in financial institutions important to businesses in your community?**

Finally, ask students to decide individually which account is best for their personal needs. They should write a paragraph explaining why. Have them hand these in to you.

Evaluation:

Assess Objective #1 by considering the ideas generated during the brainstorming session. Have students identified the major advantages of saving? Assess Objective #2 by examining the completed survey forms and by observing the class discussion which follows completion of the forms. Do students realize that interest rates and other features vary from one institution to another? Assess Objective #3 by examining students' written paragraphs in which they identify the account most appropriate for their needs. Do they give reasons for their choice?

Additional Activities:

In small communities, there may only be one or two financial institutions and so comparison is difficult. In this situation, compare savings plans offered by the same financial institution. For example, a financial institution might have a daily interest savings, quarterly interest savings, term deposits and special accounts for seniors and kids. Students can compare the terms and conditions, and the rate of interest of each account. There are two ways of obtaining this information; the class can make a field trip to the financial institution or the manager of the institution can be invited to the school as a guest speaker.

STUDENT HANDOUT:

SURVEY OF ALTERNATE SAVINGS PLANS

To accompany Activity #1, Comparing Alternate Savings Plans

Name of institution visited: _____ Type: _____

Name of person interviewed: _____ Position: _____

Savings

1. Do you have a passbook savings account? Yes _____ No _____

2. If "yes", what is the name of your savings account plan and what is the rate of interest? Does the account pay simple interest or compound interest? If compounded, is it daily, quarterly, or semi-annually?

Name of Plan	Annual Interest Rate	Method of Calculating Interest

3. Can your depositors write cheques on their savings account? Yes _____ No _____

4. Is there a limit on the number of withdrawals from the savings account before a penalty has to be paid? Yes _____ No _____

5. Do you have any other savings plan(s)? Yes _____ No _____

6. If "yes", name and describe the plan(s), rate of interest paid, and other important features or requirements.

Name, Description and Interest Rate	Annual Interest Rate	Additional Important Features

7. Do you offer term deposits? Yes _____ No _____

8. If "yes", what are the various time periods (maturities) of the term deposits? What are the interest rates if interest is paid out periodically? If interest is left on deposit until maturity (i.e., compounded)? What are the penalties if the term deposits are cashed in early?

Name, Description and Interest Rate	Annual Interest Rate	Additional Important Features

Source: *Master Curriculum Guide for the nation's schools, part II, strategies for teaching economics: basic business and consumer education* (secondary), 1979. Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10036. Used with permission.

ACTIVITY #2

HELPING YOUR MONEY GROW

Objectives:

Students will be able to:

1. Calculate the additional money earned when interest is allowed to compound.
2. Use the "72" formula to calculate how long it takes money to double when interest is compounded.

Teacher Preparation:

Duplicate a class set of the handout, "Take an Interest in Compounding".

Time:

One-half class period.

Procedure:

Distribute the handout "Take an Interest in Compounding". Explain the concept of compound interest. Work through the example provided on the handout with students, then have students complete the first set of calculations on the handout.

Next explain the "72" formula. To find out how long it will take your money to double, divide 72 by the rate of interest. Have students complete the second set of calculations on the handout.

Evaluation:

Check students' calculations on the handout. Have they been done correctly?

Additional Activities:

1. R.R.S.P.s (Registered Retirement Savings Plans) are a good example of the way that compound interest accumulates over time. Invite a financial planner or bank manager to speak to the class about R.R.S.P.s and to provide some calculations showing the way that interest compounds in an R.R.S.P.
2. Students who enjoy math can have a lot of fun with compound interest. They can:
   - Calculate the sum accumulated if $7,500 is invested at 9% every year for 20 years. To make it even more complicated, vary the amount invested and the interest rate from year to year.
   - Calculate the eventual earnings if $1,500 (or any other sum) is invested at 12% (or any other percentage) for 10 years. To make it more complicated, vary the interest rate from year to year.

STUDENT HANDOUT:

TAKE AN INTEREST IN COMPOUNDING

To Accompany Activity #2, "Helping Your Money Grow"

Your savings grow more rapidly when you reinvest the interest to create further earnings. This is called compounding.

If you deposit $100 in a savings account at 12% interest compounded annually, the interest would be figured as follows:

Year 1: $100.00 + (12% of $100.00 = $12.00) = $112.00

Year 2: $112.00 + (12% of $112.00 = $13.44) = $125.44

Year 3: $125.44 + (12% of $125.44 = $15.05) = $140.49

Year 4: $140.49 + (12% of $140.49 = $17.94) = $167.43

Calculate the value of $1,000 which was deposited in a savings account at 9% interest for 5 years:

Year 1: _____

Year 2: _____

Year 3: _____

Year 4: _____

Factors that affect your earnings include:
- amount of money saved
- interest rate
- number of compounding periods.

A simple way to quickly figure out how long it will take for your money to double when just earning interest is the "72" formula. All you need to do is divide 72 by the rate of interest on your savings. For example, if your money is earning 8% interest, it will take approximately nine years for you to double your money (72 divided by 8 = 9).

How long would it take for your money to double at each of the following interest rates?

5% _____	11% _____	15.5% _____
8.5% _____	12.5% _____	16% _____
10% _____	14% _____	18.5% _____

ACTIVITY #3

SAVINGS AND INVESTMENT OPPORTUNITIES

Objectives:

Students will be able to:

1. Describe and assess the degree of risk, earning potential and liquidity of a particular type of investment.

Time:

One-half class period for introduction. One hour out-of-class time for research. One class period for preparation of reports and chart.

Procedure:

Explain to student that savings are one important type of investment. They are low-risk because the investor is guaranteed a certain rate of interest, but the interest rate is sometimes low. Most savings accounts are highly liquid. That is, it is very easy to get your money back. You just have to go to the bank and withdraw it.

Explain that there are other types of investments such as stocks, mutual funds and real estate. There is an element of risk associated with these investments; that is, the rate of return is not guaranteed. It can be high or low, or the investor can even lose money depending on the economy. The degree of liquidity of these investments varies considerably. Stocks can often be sold very quickly, but it may take a long time to sell a piece of real estate.

Divide the class into 11 groups. (In a small class students may need to work alone.) Assign one of the following types of investments to each group:

- Canada Savings Bonds
- Term Deposits
- Guaranteed Investment Certificates
- Stocks
- Mutual Funds
- Real Estate
- Commodities Futures
- Gold, Silver
- Diamonds
- Antiques
- Coins

Students are to research the investment which they have been assigned. They can talk to people in the community who sell or handle that particular type of investment or people who have bought the investment, read financial newspapers, magazines and do other research.

Have each group do the following:

- Write a brief report on the investment, describing what it is and how it functions.
- Indicate whether the investment has a low, medium or high level of risk, rate of return (earnings), and liquidity.

At the conclusion of the activity prepare a class chart which summarizes the major point relating to each type of investment.

Students might note that it is not always possible to draw a single conclusion about a category of investment. For example, there is a much lower level of risk with "blue chip" stocks than with the stocks of new and untried companies. This finding can lead to an interesting class discussion.

Evaluation:

Examine students' reports on the investment which they were assigned and the information they contributed to the class chart. Is the information complete and accurate?

Additional Activities:

1. Instead of having students conduct research in the community, invite a panel of experts (people selling or handling different types of investments) to school for a round-table discussion with students.
2. Have students pick a few stocks or mutual funds that interest them and follow the performance of the stocks or funds in the newspaper for a few weeks. Students can graph the stocks' ups and downs.

4. BANKING

For the Teacher

Most students' bank experience will be limited to savings and chequing accounts. Students may or may not be familiar with the many accounts offered by chartered banks, trust companies and credit unions. The six largest banks alone offer sixty types of personal accounts.

All financial institutions offer similar types of consumer services such as chequing and savings accounts, loans and mortgages, term deposits, Treasury Bill accounts, Canada Savings Bonds, Registered Retirement Savings Plans (RRSPs), money orders, travellers' cheques, safety deposit boxes and packages of banking services, including credit cards and automated teller cards. However, there may be differences in the amount of interest paid and how it is calculated, service charges and other fees, types of accounts, convenience and other factors.

Points to consider when choosing a bank or other financial institution include:

- **Kinds of accounts.** What kinds of accounts are available?
- **Service charges and transaction fees.** Do you pay for chequing privileges every month on each cheque you write? How much do you pay? Is there a fee to join or to open an account?
- **Interest paid.** Is interest calculated daily, or on the minimum monthly balance? How much interest do different accounts earn? Will interest be credited to your account monthly, quarterly, semi-annually, or daily?
- **Services.** Do you receive cancelled cheques and statements each month? Do you have overdraft protection? Can you obtain travellers' cheques and money orders? Can you pay utility bills at the financial institution? What are you charged for these services? Do you have the use of bank cards or automated teller cards?
- **Convenience features.** Where is it located? Is it convenient? Is there parking or bus service nearby? Do you have multi-branch privileges? Are the hours of operation convenient?
- **Deposit protection.** The Canada Deposit Insurance Corporation (a government agency) provides insurance on the first $60,000. that a consumer deposits in financial institutions which fall under its jurisdiction. Does the type of investment have CDIC coverage?
- **Other features and services.** Are there other services such as an automated teller?

Credit Unions and Caisse Populaires offer a full range of features and services similar to banks and trust companies but they have some unique features:

- **They are non-profit institutions** owned by the members and governed by a board of directors elected by the membership.
- **They require that you be a member** in order to deposit money.
- **They get their investment funds by selling shares and accepting deposits.**
- **They lend a large proportion of their investment funds because of their concern with providing credit.**
- **They are under provincial jurisdiction.** Each is also an individually and locally owned institution.
- **They can be established by people who share a common occupation or ethnic background.**
- **They provide insurance on 100% of the money deposited.**

BANKING
·· chequing ·· savings ~ loans ~ mortgages ·· term deposit ·· treasury bills ··
·· canada savings bonds ·· RRSP's ·· money orders ~ travellers cheques ··
·· safety deposit boxes ·· credit cards ·· automated teller cards ··

Increasingly, the financial marketplace is using electronic systems to maintain records and deliver services. Automated tellers allow a traditional service to be offered in a new way. With an automated teller, making deposits and withdrawals is easier and more convenient than ever before, but these machines create new concerns also. Loss or theft of bank cards and machine error are new problems that consumers must learn how to handle.

Debit cards are just starting to enter the financial marketplace. When presented to a retailer, these cards allow a consumer's bank account to be debited and eliminate the need for cash, cheques or credit cards. They also eliminate the "float" period, the day or two between the time when a cheque is written and when it clears the issuer's bank account. At the present time, debit cards have more advantages for retailers and financial institutions than for consumers.

Related Content

Module I, The Canadian Marketplace and You; Chapter A, The Canadian Marketplace; Topic 2, Technology and the Marketplace.

ACTIVITY #1

BANKING "KNOW HOW"

Objectives:

Students will be able to:

1. Open a chequing account.
2. Write a cheque correctly.
3. Fill out a deposit slip correctly.
4. Fill out a withdrawal slip correctly.

Teacher Preparation:

Duplicate class sets of the handouts "Opening a Bank Account", "Writing a Cheque" and "Putting Money In/Taking Money Out".

Time:

One class period.

Procedure:

First brainstorm with students the reasons why people use banks and other financial institutions. Some reasons include to:
- keep money safe
- reduce impulse buying
- make it easy to pay bills by cheque
- make it easy to cash cheques like family allowance, social assistance or pay cheques
- borrow money
- help keep track of spending
- earn interest.

Distribute the handout "Opening a Bank Account" and review it with students in class. Then divide the class into pairs. Have each pair of students role-play opening a bank account. Each student in the pair should have the opportunity to play both the role of consumer and the role of bank employee.

Distribute the handout "Writing a Cheque" and review it with students. Then have students use the blank cheque on the bottom of this handout to practice writing a cheque. They can write the cheque to whom they choose for whatever amount they choose.

Distribute the handout "Putting Money In/Taking Money Out" and review it with students. Then have students practice filling out deposit and withdrawal slips, using the ones on the handout.

Evaluation:

To assess Objective #1, consider the role-play of opening a bank account. Are students familiar and comfortable with all the steps? To assess Objectives #2-4 examine the completed cheque, and deposit and withdrawal slips. Are they completed accurately?

Additional Activity:

1. A blank cheque and deposit and withdrawal slips are provided in this activity. However, to make the activity more realistic, obtain a supply of these forms from a local financial institution.

STUDENT HANDOUT:

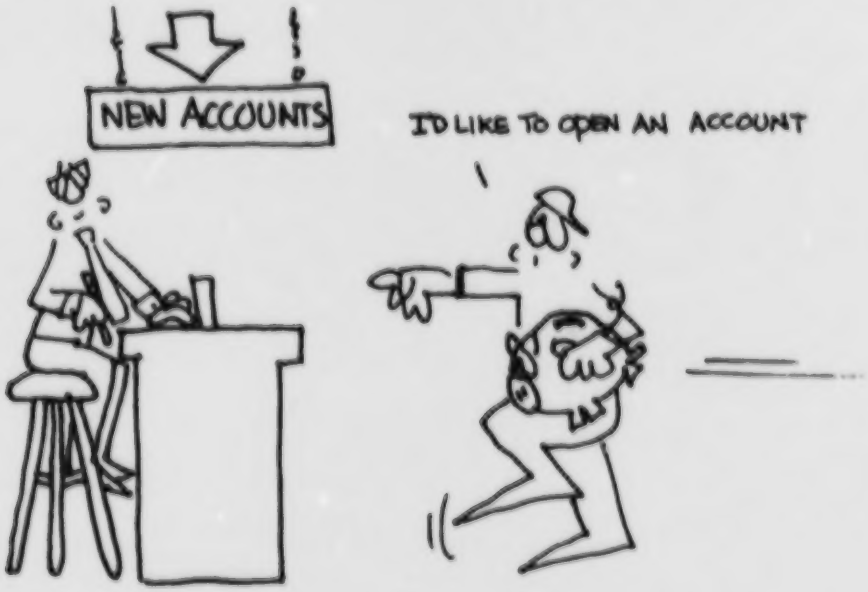
OPENING A BANK ACCOUNT

To accompany Activity #1, "Banking Know How"

Opening a bank account is easy. Here are the steps to take:

1. Walk into the bank, step up to a counter and tell them you want to open an account.
2. Tell them if it's a chequing or savings account you want. You need at least $5. to open a savings account and between $10. to $50. to open a chequing account, depending on the bank. This pays for your cheques.
3. You will need to fill out some forms. If you have any questions, ask for help. It's the clerk's job to help you.
4. The clerk will ask you some questions like your name, address, phone number (if you have one), social insurance number, birthdate and employer. As well, you will be asked for three pieces of identification, next of kin, and how much money you want to put in your account. You will have to sign the forms.
5. After you've filled in the forms, give your money or cheque to the clerk who will put it (deposit it) in your account.
6. You will be given a cheque book if you've opened a chequing account or a savings book if you've opened a savings account.
7. You may also be given an automated teller card. It will let you take money out of your account by using an automated banking machine located in malls and bank doorways. The bank clerk will tell you how to use this card.
8. Keep your cheque book and savings book in a safe place.
9. If you were given an automated teller card, keep it in a safe place and don't tell anyone your PIN (personal identification number).

CONGRATULATIONS! YOU HAVE A BANK ACCOUNT!



STUDENT HANDOUT:

WRITING A CHEQUE

To accompany Activity #1, Banking "Know How"

Writing a Cheque
Here's how to write a cheque.

Sam Jones
10 South Avenue
Halifax, NS B2N 4J9
Tel. 666-2998

0035

June 1 (1)

Pay to the Order of (2) 50 00/100 (3)

Sum of Fifty Dollars (4) 00 (5)
100

The Bank of Vastbank
Halifax Main Branch
1211 First Avenue
Halifax, NS B2N 3L6

Sam Jones (8)

⑈ 0035 ⑈ ⑆2118⑈ 001 ⑆ 89411 ⑈ 11 ⑈

(1) Today's date.
(2) Name of person or business you are writing the cheque to.
(3) The amount of the cheque in numbers.
(4) The amount of the cheque in words.
(5) If there are cents write the number above the small 100. If there are no cents, put two zeros (00) above the small 100.
(6) Lines on both sides to make sure nobody changes what you've written.
(7) All of your cheques are numbered in order so you can keep track of how many you use.
(8) Your signature.

Now use the blank cheque form below to practice writing a cheque.

Sam Jones
10 South Avenue
Halifax, NS B2N 4J9
Tel. 666-2998

0035

Pay to the Order of

Sum of
100

The Bank of Vastbank
Halifax Main Branch
1211 First Avenue
Halifax, NS B2N 3L6

⑈ 0035 ⑈ ⑆2118⑈ 001 ⑆ 89411 ⑈ 11 ⑈

STUDENT HANDOUT:

PUTTING MONEY IN/TAKING MONEY OUT (DEPOSITS AND WITHDRAWALS)

To accompany Activity #1, Banking "Know How"

Here are some ways to put your money (make a deposit) in the bank:
- in person to the bank clerk
- using an automated teller machine
- by mail

To put money in your account, you need to fill out a "deposit slip" like this one:

VASTBANK Halifax Main Branch		(4) X 1		Cheques and Coupons (6)	300.00
		2 X 2	4.00		
		X 5			
Date March 2, 1991 (1)	Account No. 89411 (2)	5 X 10	50.00		
		X 20			
Credit Account of Sam Jones (3)		X			
		Coin			
		Total Cash (5)	54.00		54.00
Signature for cash received (please sign in front of teller)		Depositor's Initials (9)		Subtotal Less cash received Net Deposit	354.00 (7) 354.00 (8)

(1) Today's date.
(2) Your account number
(3) Your name.
(4) Spaces for cash deposit. This deposit shows that two $2 bills and five $10 bills were deposited.
(5) Total cash deposited (add all cash together).
(6) Amount of the cheque deposited.
(7) Total of cash and cheques.
(8) Total amount of money deposited.
(9) Your initials.
(10) Your signature. Do not sign until you are in front of the bank clerk.

If you have any questions about the deposit slip, ask a clerk. It's their job to help you.

Use the blank form below to practice filling out a deposit slip.

VASTBANK Halifax Main Branch		X 1		Cheques and Coupons	
		X 2			
		X 5			
Date	Account No.	X 10			
		X 20			
Credit Account of		X			
		Coin			
		Total Cash			
Signature for cash received (please sign in front of teller)				Subtotal Less cash received	
		Depositor's Initials		Net Deposit	

When you take money out of your bank account, you can either write a cheque to yourself or fill out a "withdrawal slip" like the one below.

Chequing Account Cash Withdrawal Receipt (1) March 2, 1991
(Not negotiable outside this office)

Received from The Vastbank $ 50.00 (2)

(3) Fifty (4) 00 (5)
100

John Jones (6)
(Please sign in presence of teller)

Chequing Account No.(7) 89411

(1) Today's date.
(2) The amount of the withdrawal in numbers.
(3) The amount of the withdrawal in words.
(4) Lines on both sides to make sure nobody changes what you have written.
(5) If there are cents, write the numbers above the 100. If there are no cents, put two zeros (00) or two x's (xx) above the 100.
(6) Your signature. Do not sign until you are in front of the bank clerk. If you signed the withdrawal slip and lost it, someone else could use it to get your money.
(7) Your account number. This is found on your cheques or on your book.

Once a month, your bank or credit union will send you an itemized statement of all your transactions (deposits, withdrawals, cheques). You will note a small service charge as well. Check your statement to make sure there are no errors.

If you have any questions, phone your bank. They will be happy to help you.

Now practice filling out a withdrawal slip.

Chequing Account Cash Withdrawal Receipt _____
(Not negotiable outside this office)

Received from The Vastbank $ _____

_____
100

_____
(Please sign in presence of teller)

Chequing Account No. _____

ACTIVITY #2

IT'S ALL IN THE BALANCE

Objectives:

Students will be able to:

1. Fill in a cheque record book.
2. Verify a chequing account statement.
3. Reconcile a chequing account.

Teacher Preparation:

Duplicate class sets of the handouts "Keeping Track: Your Cheque Record" and "Chequing Account Statement".

Time:

One class period.

Procedure:

Distribute the handout "Keeping Track: Your Cheque Record" and review it with students. Emphasize that every cheque, withdrawal and deposit must be recorded in the cheque record. Have students fill in additional information on the cheque record as indicated on the handout.

Distribute the handout "Chequing Account Statement". Explain to students that every month financial institutions provide their customers with a statement of all the transactions in their account. Review the statement with students asking individual students what various entries on the statement mean.

Tell students that when they receive their monthly statement from their financial institution they should compare it to their cheque record. They should:

- Check to be sure that all transactions recorded on the statement are also written in their cheque record.
- Deduct any service charges from the balance in their cheque record.
- Deduct any cheques which they have written but which do not appear on the statement from the balance in their cheque record. These are cheques that haven't been cleared through their account yet.

After these calculations have been made, the closing balance on their statement and the balance in their cheque record should be the same. This process is called reconciling the chequing account.

Have students attempt to reconcile the chequing account featured on the two handouts which accompany this activity. Allow a few minutes for this and then conclude with a class discussion. Discussion questions include:

- The bank statement covers the period September 30 to October 31. The cheque record covers the period October 3 to November 21. Why the difference?
- Why does cheque #114 appear in the cheque record but not on the account statement?
- Why do service charges appear on the account statement but not on the cheque record?

Evaluation:

To assess Objective #1, examine the entries that students make on the sample cheque record. Are they accurate? To assess Objective #2, consider the answers that students give when the chequing account statement is discussed in class. Do they understand that every transaction from that account appears on the statement? To assess Objective #3 consider students' efforts to reconcile the chequing account. Can they successfully complete a reconciliation?

STUDENT HANDOUT:

KEEPING TRACK: YOUR CHEQUE RECORD

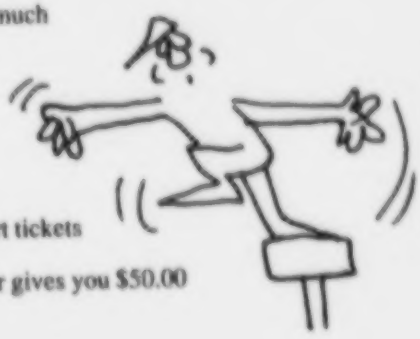
To accompany Activity #2, "It's All in the Balance"

Keep track of each cheque you write. Include:
- the date
- the cheque number
- who is being paid
- the amount

As well, keep track of the money you put into the bank in your cheque record. Here is an example of a cheque record.

Date	Cheq No.	Description	Amount of Cheque		Amount of Deposit	Balance
1989		Balance Forward				75.00
Oct 3		Allowance			50.00	125.00
Oct 4		Cash	15.00			110.00
Oct 9	110	A & A Records	10.55			99.45
Oct 14	111	Aerobics	8.00			91.45
Oct 14	112	The Jean Shop	37.10			54.35
Oct 18		Babysitting			18.00	72.35
Oct 21	113	The Bicycle Shop	15.85			56.50
Oct 24	114	Al's Video	12.35			44.15
Oct 28		Cash	15.00			29.15
Oct 29		Cutting Grass			8.00	37.15
Nov. 1		Allowance			50.00	87.15

This record will help you know at all times how much money you have in your account. It also helps prevent you from writing a cheque when there is no money in your account.



There are some blank spaces on the cheque record form. Use them to record the following information:

November 5 - You write a cheque for two concert tickets costing $10.00 each.
November 12 - Your birthday. Your grandmother gives you $50.00 which you deposit.
November 21 - You withdraw $30.00 cash.

STUDENT HANDOUT

KEEPING TRACK: CHEQUING ACCOUNT STATEMENT

To accompany Activity #2, "It's All in the Balance"

Every month your financial institution gives you a statement which lists all of the transactions in your chequing account. A sample of a chequing account statement appears below. On the statement below money taken out of the account appears in the "debit" column, money put into the account appears in the "credit" column.

Chequing Account Statement

Date	Description	Debits	Credits	Balance
Sept 30	Balance Forward			75.00
Oct 3	Deposit		50.00	125.00
Oct 4	Cheque	15.00		110.00
Oct 11	Cheque 110	10.55		99.45
Oct 17	Cheque 111	8.55		91.45
Oct 18	Cheque 112	37.10		54.35
Oct 18	Deposit		18.00	72.35
Oct 23	Cheque 113	15.85		56.50
Oct 29	Deposit		8.00	64.50
Oct 31	Service Charge	6.00		58.50
Oct 31	Closing Balance			58.50

Source: *Making Your Money Count*, Level 2, Manitoba Agriculture. Used with permission.

ACTIVITY #3

AUTOMATED TELLERS MADE EASY

Objectives:

Students will be able to:

1. Demonstrate that they can successfully operate automated teller machines.
2. List ways to protect themselves against fraud, theft and machine error when using automated teller machines.

Teacher Preparation:

Duplicate a class set of the handout "Tips for Using an Automated Teller". If possible, arrange a field trip to a financial institution. Prearrange an appointment with a contact at the bank or credit union and find out if they have a "demonstration account" the students can practise on.

Time:

One-half class period for introduction. One class period for field trip. One-half class period for follow-up.

Procedure:

This activity involves a field trip to a bank or other financial institution to examine the way that automated teller machines operate and to discuss their use with bank officials. Before setting out on the field trip emphasize to students that most of them probably already use the services of a bank or other financial institution. If not, they certainly will in the near future. Explain that computers and other electronic equipment are now used to deliver many traditional financial services. One example is the automated teller. Tell students that on this field trip they will learn how to operate an automated teller machine and how to protect themselves against fraud, theft and machine error. Before leaving the classroom, prepare a series of questions for students to ask.

Typical questions might include:

- What would you do if your automated teller card is stolen or lost?
- What is the purpose of the personal identification number (PIN) that the financial institution assigns to you?
- What should you do if someone asks you for your PIN?
- What are some techniques that will help prevent unauthorized people from gaining access to your account?
- If the automated teller machine gives you the wrong amount of money, what should you do?
- What should you do if you deposit money in the automated teller, but do not receive credit on your account?

At the financial institution, ask your host to demonstrate the use of the automated teller machine and answer students' questions about it. Ideally, the financial institution will have a demonstration account and each student will have an opportunity to operate the machine and practice withdrawing and depositing money.

Back in the classroom, divide students into groups of two to four. Have each group use the information obtained during the field trip to prepare a list of tips for using automated tellers. Possible tips are listed on the handout "Tips for Using an Automated Teller".

At the conclusion of this activity, allow a few minutes for the entire class to share their lists of tips.

Evaluation:

Assess whether Objective #1 has been achieved by observing students as they practice using the automated teller machine during the field trip. Can they successfully deposit and withdraw money? Assess whether Objective #2 has been achieved by examining students' lists of tips for using the automated teller machine. Do students emphasize safeguarding the bank card and the PIN, notifying the financial institution immediately if there is an error and keeping accurate up-to-date personal records of all transactions conducted through the automated teller machine?

STUDENT HANDOUT:

TIPS FOR USING AN AUTOMATED TELLER

To accompany Activity #3, "Automated Tellers Made Easy"

- If you lose your automated teller card, let the financial institution know immediately.
- Keep your personal identification number (PIN) and your card separate.
- Don't tell anyone your PIN. If someone phones you and asks for your PIN, call the police immediately.
- Don't let anyone look over your shoulder when you type in your PIN.
- After you are finished using the machine remember to take your bank card, your cash and any slips issued by the machine.
- When making a cash withdrawal, let the bank know immediately if the amount of cash received is incorrect.
- Enter each automated teller transaction in your cheque record the same day you make it.
- Save all your automated teller slips and check them against the bank statement that you receive at the end of each month. Notify the bank immediately if there are any differences.

ACTIVITY #4

DEBIT CARDS - WHO BENEFITS?

Objectives:

Students will be able to:

1. Describe how a debit card is used.
2. Identify the advantages and disadvantages of debit cards from the point of view of the retailer, the financial institution and the consumer.

Teacher Preparation:

Invite a staff member from a financial institution to speak to students on the topic of debit cards.

Duplicate a class set of the handout "Debit Cards - Who Benefits".

Time:

One class period.

Procedure:

Invite a staff member from a financial institution to speak to the class on the topic of debit cards. Before the presentation explain to the class that debit cards are an innovation currently coming into use. When a consumer makes a purchase, the card is handed to the clerk at the checkout or point of sale. Most businesses run the card through a machine similar to a credit card machine. The debit slip is sent to the consumer's bank and the cost of the purchase is withdrawn from the consumer's account.

A few stores are connected electronically to a financial institution. The clerk puts the card into a special machine and funds are transferred instantly from the consumer's bank account to the store's bank account. If the consumer's bank account doesn't contain enough money to cover the purchase, the sale cannot be completed. It takes only a few seconds to transfer the funds. Debit card systems which operate this way are sometimes also called Electronic Funds Transfer/Point of Sale

After the presentation, divide students into small groups. Have each group identify the advantages and disadvantages of debit cards from the point of view of the retailer, the financial institution and the consumer. Some advantages and disadvantages appear in the handout "Debit Cards - Who Benefits?".

At the conclusion of this activity, allow a few minutes for the entire class to share their lists of advantages and disadvantages and distribute the handout "Debit Cards - Who Benefits?"

Evaluation:

Consider the lists of advantages and disadvantages prepared by students. Are points noted similar to those outlined on the handout "Debit Cards - Who Benefits"?

Additional Activities:

In small communities, it may not be possible to arrange for a guest speaker to talk to students about debit cards. In this situation, students can do research on debit cards. Divide the students into groups. Groups can:

- Write to the provincial head offices of major financial institutions (get addresses from the phone book) and ask whether they currently have a debit card and whether they are planning to offer one.
- Write to major department stores and ask whether they are equipped to accept debit cards for consumers' purchases.
- Write to consumers' associations (or survey consumer publications) to get information about advantages and disadvantages of debit cards.

After research has been completed have each group make a five-minute presentation on their findings. Findings can be compiled into a class summary chart.

STUDENT HANDOUT:

DEBIT CARDS - WHO BENEFITS?

To accompany Activity #4, "Debit Cards - Who Benefits?"

The advantages and disadvantages identified below refer specifically to electronic debit card systems in which the consumer's account is debited instantly.

Advantages	Disadvantages
Retailer's Point of View	
• eliminates bad cheques • saves time at the cash register • cuts costs associated with processing of cheques and credit card payments	• initial cost of system
Financial Institution's Point of View	
• costs less to process than cheques or credit card payments • eliminates the "float" period, the period between the time when a cheque is written and the money is taken out of the consumer's account	• initial cost of developing and installing system
Consumer's Point of View	
• eliminates the need to carry cash or cheque book • saves time at the cash register	• elimination of "float" period which actually provides consumers with one or two days of interest-free credit • concerns about loss or theft of card • concerns about lack of privacy. How much information will be available about bank accounts to retailers?

5. CREDIT

For the Teacher

Today nearly every Canadian uses credit in one form or another. When we use services such as telephone, heat and electricity and pay for them at the end of the month we are using credit. Many Canadians have mortgages - another type of credit. Some people choose to buy automobiles, furniture and appliances on credit and many university or technical school students finance their education with student loans. All of these are types of credit.

Using credit has both advantages and disadvantages.

Advantages

- **Credit allows you to purchase and enjoy goods as they are needed or wanted.** Purchasing a new bicycle in the spring and making payments throughout the summer allows you to use the product while paying for it. This is more practical than saving until the fall, when you have the cash but no longer need the bicycle.
- **Credit allows you to purchase items that would otherwise take years to save for.** Saving for necessary but costly items like cars, major appliances and furniture can translate into a long inconvenient wait. Using credit for these items allows you to raise your standard of living sooner.
- **Credit can help you handle temporary or unexpected financial emergencies.** Health problems, accidents, temporary loss of income and breakdown of major equipment can catch you unprepared.
- **Credit can be used to purchase things that increase your income.** Loans for education or tools for a trade are good examples.
- **Credit can help you develop the habit of saving**. When you have monthly credit obligations, you are forced to allocate funds for that purpose. When you no longer have these obligations, you can quickly accumulate savings by continuting to make the monthly payment to your account instead of to the creditor.
- **Credit allows you to take advantage of sales and price reductions.** This can lead to true bargains only if the credit costs do not exceed the savings.

Disadvantages

- **Credit ties up future income.** When you use credit, you are spending money before you earn it. This means that you have less money to spend when you get your paycheque because you have already allocated a portion of it to credit payments.
- **Credit increases the cost of items.** Interest charges add to the cost of the items you purchase on credit. In addition, the availabiltiy of credit increases prices for all consumers because it costs the retailer money to offer credit. The costs are covered by raising prices.
- **Credit may encourage you to live beyond your means.** The concept of buy now, pay later may lead to habitual overspending. Credit is only a temporary solution and the money must eventually be paid back.
- **Credit increases impulse buying.** You see something you like, you know you can get the credit so you buy it. Credit provides instant access to many goods and services and fewer purchases are planned in advance.
- **Credit decreases comparison shopping.** There is a tendency to shop at the stores where you can get credit rather than shopping around for the best value.
- **Credit can result in the loss of merchandise.** If you are unable to keep up your payments you risk losing the merchandise. In the case of secured loans, you may lose the collateral you pledged. (i.e., car, savings bonds)
- **Credit may limit your ability to save.** When you have monthly credit obligations, you are forced to allocate funds for that purpose. You may not have any money left to save.

Borrowing money is like any other consumer service. The only way to get the best deal is to **shop around**. Interest rates and terms of repayment can vary considerably from one institution to another.

ACTIVITY #1

CREDIT, CREDIT, CREDIT

Objectives:

Students will be able to:

1. Assess the extent to which credit is used in our society.

Time:

One-half class period.

Procedure:

Few high school students are aware of the extent to which families and individuals rely on credit in our society. Give students a definition of credit, **"Credit occurs when money, goods or services are exchanged for a promise to pay for them at some future date".** Write this definition on the board. Then ask for some examples of credit. Be sure that mortgages and car loans are mentioned as well as credit cards and department store charge accounts. Then ask students to write a paragraph, "What Life Would Be Like if There was No Credit".

Evaluation:

Examine students' paragraphs. They should recognize that without credit home and car ownership would be more difficult and perhaps impossible for many people. They should also recognize that without credit fewer people would buy unnecessary items or get into financial difficulties.

Additional Activities:

1. Take students on a field trip to any of the following:
   - consumer credit department of a bank or retail store
   - credit bureau
   - collection agency
   - bankruptcy court.

   Alternatively, invite representatives from any of these agencies to speak to the class.
2. Interview family members, relatives and friends about their experiences with credit. Without violating people's privacy, try to learn:
   - when and why people use credit
   - what regrets or problems they have experienced with credit
   - what benefits credit offers
   - what advice they would offer new credit users.
3. Have students debate the advantages and disadvantages of credit. The debate topic might be "Be it resolved that all credit should be abolished in our society".

ACTIVITY #8

SHOPPING FOR CREDIT

Objectives:

Students will be able to:

1. Give examples of different sources of consumer credit.
2. Compare the advantages and disadvantages of different sources of consumer credit.
3. Determine what type of credit is most appropriate for particular situations.

Teacher Preparation:

Ensure that students have access to community resources. Review students' interview questions before conducting interviews.

Time:

10 to 15 minutes for introduction. One hour out-of-class time for research. One class period for presentations.

Procedure:

Explain to students that there are different sources of credit. Have students identify these and write them on the board as they are suggested. They include:

- banks and credit unions
- trust companies
- finance companies
- store charge accounts
- credit cards
- pawn shops
- loans from parents or other family members.

Explain that the interest rates charged and the terms of repayment can vary greatly from one source to another.

Divide the class into groups of three or four. Assign one group to each source of credit. Have students find out as much as they can about this source of credit. They should try to be as specific as possible about interest rates and terms of repayment. Community interviews are the best way to gather this information. Have each group develop a written list of interview questions. Review each group's questions to ensure they will all collect the required information. Each group should describe a particular source of credit, list its advantages and disadvantages and indicate the types of situations for which it is most appropriate. In some cases, students may recommend that a particular type of credit not be used at all. After research has been completed, have each group make a four or five minute presentation to the class. If desired, the groups' findings can be compiled into a master chart.

Evaluation:

Students' class presentations will indicate whether the objectives have been achieved.

Additional Activities:

1. In small communities it may not be possible to interview representatives of the full range of credit sources. Letters of inquiry might be used instead.
2. When students are conducting their community interviews, have them ask each source of credit what they look for in a borrower. What criteria does an individual have to meet before a loan will be granted?
3. Many students in high school are thinking about buying a car. Have students investigate the different ways that a car (new or used) might be financed, including a bank loan, credit from car dealer, loan from parents, etc. Have students collect all the forms that are used by an auto dealer (offer to purchase, etc.) and discuss these in class. Ask students to consider the various types of guarantees and warranties that sometimes accompany new and used cars.

4. Have students undertake a real-life exercise in granting credit. For a specified period of time they can assume control of the school cafeteria and make food available on a credit basis. They will need to decide questions such as:
   - On what basis will credit cards be issued to fellow students?
   - How will credit limits be established?
   - What rate of interest will be charged?
   - How will collection of overdue accounts be handled?

   It will be necessary to design a credit application form, credit card and bills, etc. This might be undertaken as a joint project with another class.

ACTIVITY #3

THE COST OF CREDIT

Objectives:

Students will be able to:

1. Calculate the real cost of using credit.

Teacher Preparation:

Ensure that students have access to community resources. Make the transparency, "The Cost of Credit".

Time:

One-half class period.

Procedure:

Give students the following formula to calculate the real cost of credit.

Multiply the monthly payment by the number of months of the loan to determine the total to be repaid. Then from this total repaid, subtract the amount of the principal borrowed.

Example:
Suppose you borrow $1,000. at 14% interest. You have 24 months to repay the loan. Your monthly payments are $48.02.

Using the Transparency explain how to calculate the cost of credit. Calculate the cost of the credit like this:

$ 48.02	(monthly payment)
X24	(no. of months of loan)
1,152.48	(amount to be repaid)
-1,000.00	(amount of principal borrowed)
$152.48	(cost of credit)

Now have class members work alone or pair up to calculate the cost of credit in real-life situations. Select situations from your community. They might be based on information from real-estate agents, department store charge account advertising brochures or credit card and company brochures. They might also be based on students' parents actual situations. But exercise caution here, many families are reluctant to share information about their finances with others.

Below are some possible situations:
- Calculate the cost of buying differently priced cars over various amortization periods. (It may be necessary to explain to students that the word "amortization" means the length of time that you have to pay off the loan.)
- Calculate the cost of buying a stereo, VCR, etc., and paying for it over a 24 month period.
- Calculate the cost of going on a Caribbean vacation and paying for it over 12 months.
- Calculate the cost of buying a leather jacket on credit and paying for it over a six month period.

At the conclusion of the activity have students write their findings in the form of a math problem using the formula supplied. All of the math problems can be posted on a bulletin board so that the whole class can see them.

Evaluation:

Have students check each other's calculations, if desired. As well as providing a means of evaluation this will allow students to share information and opinions about the actual cost of credit.

Additional Activity:

Do a survey of credit card rates. (The rate is usually printed on the bill you receive each month.) Have students use current rates to calculate how much you would pay in interest in a year, in five years, in 10 years, if you maintain an unpaid balance of $750 on your credit card.

TRANSPARENCY
THE COST OF CREDIT

To accompany Activity #3, "The Cost of Credit"

THE COST OF CREDIT

$48.02 X 24 = $1,152.48 - $1,000.00 = $152.48

monthly payment	number of months of loan	amount to be paid	amount of principal	cost of credit

ACTIVITY #4

BEFORE YOU GO UNDER

Objectives:

Students will be able to:

1. List at least four warning signs which indicate that an individual has too much debt.
2. Identify and recommend some strategies which might be used by debt-troubled people.

Teacher Preparation:

Invite a bank credit officer, financial counsellor or home economist to speak to the class about things that people with too much debt can do to get out of trouble.

Time:

One class peroid.

Procedure:

Begin the activity by asking students and the guest speaker to identify signs that somebody has too much debt. Some signs are:

- having to let some bills go unpaid each month because there isn't enough money to go around.
- having little or no money left after all payments are made.
- frequent calls from bill collectors.
- having to borrow from friends or relatives to buy basic necessities.

Invite a bank credit officer, financial counsellor or home economist to speak to the class about what people with too much debt can do to get out of trouble. After the guest speaker has completed his/her talk, prepare a class list of things that individuals with too much debt can do. These include:

- Immediately stop using all your credit cards and charge accounts.
- Talk to your creditors and try to work out a reasonable repayment plan.
- Consolidate or refinance your debt.
- With the help of your banker set up a monthly spending plan and stick to it.

Evaluation:

Assess Objective #1 by considering the comments that students make when they are identifying the signs of too much debt. Assess Objective #2 by examining students' contributions to the class list of things that debt-troubled people can do to ease their situation.

Additional Activity:

Have students conduct a survey of your community to learn what types and sources of help are available for debt-troubled people. Some possibilities include government agencies, the church, creditors, consumer organizations, financial institutions, home economists.

6. INSURANCE

For the Teacher

There are three broad categories of insurance:

1. **Property insurance:** insurance on property such as houses, cars, bicycles, boats, etc. This type of insurance pays a benefit if the property is stolen or damaged.
2. **Personal insurance:** insurance which protects individuals in case of illness, accident or death. Life insurance, disability insurance, dental and health insurance fall into this category.
3. **Liability insurance:** If someone is injured on your property and sues you, liability insurance will pay claims which might be made against you.

Peoples' need for insurance varies with their age and responsibilities. For example, a person with no dependents probably doesn't need life insurance, but for a person with several small children, it's a must.

Insurance costs and policies vary greatly from one company to another. Shopping around for insurance is as important as shopping for any other consumer purchase.

Some employers provide life, health, dental and/or disability insurance to their employees as part of a benefits package. Usually the employer and employee share the cost of such a package.

ACTIVITY #1

WHAT DOES A HIGH SCHOOL STUDENT NEED TO KNOW ABOUT LIFE INSURANCE?

Objectives:

Students will be able to:

1. Distinguish between those individuals who require life insurance and those who don't, using the case studies provided.
2. Decide whether they personally need life insurance.
3. Identify the advantages and disadvantages of various types of life insurance.

Teacher Preparation:

Duplicate class sets of the handouts "Life Insurance" and "Life Insurance Case Studies".

Time:

10 to 15 minutes for introduction. One hour for out-of-class research. One class period for presentations.

Procedure:

Part I

Distribute the handout "Life Insurance" and give students a few minutes to read it. Then distribute the handout "Life Insurance Case Studies." Working with the class as a whole, ask students to identify which people in the case studies need life insurance and which don't. Then ask students to decide whether they personally need life insurance and write a short paragraph telling why or why not.

Part II

In order to give the students an overview of all aspects of life insurance, divide the class into groups of two to four. Assign two or three groups to each of the tasks below:

- Interview a representative of an organization that employs a considerable number of people in the community. That organization might be a hospital, a school board, a corporation or a provincial or federal government department. Students should find out whether that organization provides group life insurance for its employees and if it does, the type of coverage provided.
- Interview a life insurance agent and get as much information as possible about the various types of policies available. Students might ask the agent about the kind of coverage (if any) that she/he would recommend for each of the people in the case studies.
- Do a survey of 6 or 8 individuals (all volunteers) to find out if each person has insurance coverage, the type of coverage (group, whole-life or term), and the reasons why the individual chose that type of coverage. Students can display their findings in chart form.

At the conclusion of the activity have each group make a five-minute presentation to the class about their findings. As a class, identify the advantages and disadvantages of the various types of life insurance.

Evaluation:

Determine whether Objective #1 has been achieved by considering students' decisions about which people described in the worksheet need life insurance. It is unlikely that the people described in case studies 1, 4 and 6 need life insurance. Determine whether Objective #2 has been met by examining the short paragraphs that students have written (in which they state why they do or do not need life insurance). The only high school students who might need life insurance are those who have small children or those whose part-time earnings are a significant portion of their family's income. Assess whether Objective #3 has been achieved by considering the discussion which concludes the activity. Do students correctly identify the advantages and disadvantages of each type of life insurance?

STUDENT HANDOUT:

LIFE INSURANCE CASE STUDIES

To accompany Activity #1, "What Does a High School Student Need to Know About Life Insurance?"

The purpose of life insurance is to provide financial security for an individual's dependents if that individual should die. To determine if you need life insurance, ask yourself the question **"If I died today, would my death create financial hardship for anyone?"** If the answer is yes, you need life insurance. If the answer is no, you don't need it.

People who have dependents - children, aged parents or a spouse - should have life insurance. A two-income married couple may need life insurance even if they have no children and aren't financially dependent on each other. If the income of both spouses is essential to pay off the mortgage, both should be covered by life insurance until the mortgage is paid off. Single people with no dependents with enough money in the bank to cover funeral costs don't need life insurance.

The majority of high school students don't need life insurance. The only students who might require this type of coverage are single parents with small children. People who do need life insurance can choose from among several different types. Each of those is described below.

Group Life Insurance

Most people who work for government or corporations have life insurance coverage as part of their benefits package at work. Usually both the individual and the employer pay into the plan, but in a few cases the employer pays all costs. The benefits provided by a group plan vary. Some provide a lump sum if the employee dies, others provide "survivor's benefits" - ongoing payments to the employee's dependents.

Group insurance is usually the cheapest way to get life insurance because group plans cost less to administer than individual policies. People with dependents who do not have group life insurance coverage will need an individual policy. As well, people, whose group coverage is quite low may wish to supplement it with an individual policy. Three different types of individual policies are available: term, whole-life and universal.

Term Life Insurance

Term insurance policies are written for a fixed period of time - 5, 10, 15 or 20 years. If you die within that time, the policy pays out. If not, the policy lapses. The policy simply provides insurance in case of death, it does not have any cash value. Usually its premiums increase as the insured person gets older.

Whole-Life Insurance

Whole-life policies are policies that remain in force for your entire life - the policy pays out when you die, regardless of when that is. The premiums usually stay the same from year to year. Besides offering an insurance benefit in the event of death, whole life plans include a built-in savings plan. If you cancel the insurance you get back some of the money you've paid in and you can use the insurance as security if you want to get a loan.

Term insurance policies are much cheaper than whole-life because you are paying only for insurance coverage for a specified period of time not for a savings plan and not for guaranteed life insurance when you are older and more likely to die. Many people argue that term insurance is the best buy because most people don't need life insurance when their children are grown and that the return on the savings portion of whole-life insurance isn't nearly as good as that provided by a bank savings account or by Canada Savings Bonds.

Adapted from Townson, Monica (1985). Who needs life insurance? *Canadian Consumer*, August.

People who favour whole-life argue that few people save voluntarily and that the built-in savings forces people to save.

Universal Life
Universal life insurance policies are provided by some insurance companies. You select the amount of coverage you want and may also specify your monthly payment and how long you want to pay contributions. The insurance company puts your premiums into an account and pays you interest at the going rate. Each month the company deducts the cost of a term insurance policy from your account and money builds up in your account. Later on, if you don't want to pay premiums, the money in your account is used to cover the cost of the insurance. With this type of coverage the premiums you pay are higher than with regular term insurance and there is still an element of forced savings.

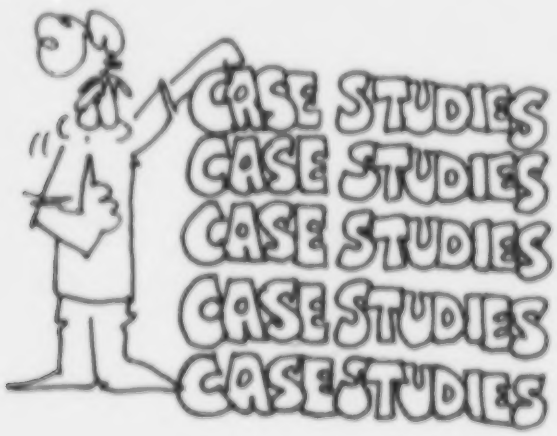
STUDENT HANDOUT:

LIFE INSURANCE CASE STUDIES

To accompany Activity #1, "What Does a High School Student Need to Know About Life Insurance?"

Do the people described below need life insurance? Why or why not?

1. Louise Smith is single and has no children. She has a good job and a considerable amount of money saved.
2. Henry Babiuk is a single parent with three preschool children. He earns enough for the family's day-to-day needs, but isn't able to save a lot of money. His former wife pays $200 per month towards the children's support.
3. Judy and George Wong are married and have a small baby. Both work at relatively low paying jobs and they need both incomes in order to pay their mortgage and cover day-to-day expenses.
4. Barry Litzenberger is 12 years old. He is in good health. His parents have a comfortable income.
5. Hilda and Bob Lawrence are married with four children. Bob is a lawyer with his own business. Hilda was a teacher before she married, but hasn't had a job outside the home since the first child was born. The family has a big mortgage and owes money on two cars.
6. Loretta Elder is a 70-year-old widow. She has a good pension and a lot of investments and savings.



ACTIVITY #1

AUTO INSURANCE

Objective:

Students will be able to:

1. Define basic auto insurance terms and summarize conditions applicable to drivers.

Teacher Preparation:

Have a student invite a representative from an auto insurance company to speak to the class on various aspects of auto insurance.

Time:

One-half class period for preparation. One class period for guest speaker.

Procedure:

Ask a student to invite a guest speaker from the local, provincial automobile insurance corporation to discuss various aspects of auto insurance. The class should be informed ahead of time as to who the speaker will be and what organization she/he represents. A list of questions to be asked should be prepared in advance.

The guest speaker should include information on the following in his/her presentation:

- the effect of a poor driving record on insurance costs
- merit and demerit program
- accident surcharge program
- in case of an accident what information do you need?
- what is included in basic coverage?
- optional coverages
- how the deductible works
- any other topics of interest to the class

Encourage students to ask questions at the conclusion of the presentation.

Evaluation:

Observe the contribution of students to the question and answer session. Assess the quality of contributions to the class discussion.

Additional Activities:

1. Have students collect brochures from insurance companies describing various types of auto insurance. These can be shared by the class.
2. Have students write a paragraph on the topic "Your Driving Record and Insurance". In their paragraphs, students should discuss the ways in which a good or bad driving record influences an individual's ability to get insurance and insurance costs.

ACTIVITY #2

YOUR HOME: HOW IS IT INSURED?

Objectives:

Students will be able to:

1. Describe the kind of protection offered in a homeowner's or tenant's policy.
2. Evaluate and choose the type of property insurance policy that is best suited to a particular family home or apartment.

Time:

10 minutes for introduction. One hour out-of-class time for research. One class period for presentation of research findings.

Procedure:

Explain to students that it is important that everyone have homeowner or tenant insurance. Terms of various policies vary, but generally homeowner insurance protects your house and its contents against loss or damage from fire and theft, and you from personal liability if someone injures themselves on your property and sues you. Tenant insurance is similar, but because you rent rather than own your home it covers only your furniture and other possessions (not your home itself) and provides coverage for personal liability.

Have students work in groups of two or three. Assign a hypothetical individual or family from the list below to each group. The groups should interview local insurance companies and identify the kind of insurance policy that is most appropriate for their hypothetical individual or family:

- a university student with few possessions who lives in a furnished, rented room.
- a young married couple who rent a one-bedroom apartment. They have new furniture a stereo and a microwave oven.
- a family that owns their own home. They have furniture, clothing, electronic equipment, bicycles, etc.

After students have gathered their information, have each group report its findings and conclusions to the class. Each group should describe the coverage provided in the policies they consider best for the hypothetical person or family assigned to them and give their reasons for selecting that particular policy. Then conduct a class discussion. During the discussion emphasize the following:

a) Insurance costs for the same policy vary from one company to another. What are some of the reasons?

b) The costs of various policies vary. What are some of the reasons?
- The greater the number of risks you are protected against or the higher the value of goods you are insuring, the more expensive the premium.
- The amount of deductible varies - you are responsible for all losses up to a predetermined amount. Generally speaking, the larger the deductible (the amount you are responsible for paying) the smaller the premium.
- the condition and age of the housing. Generally older homes are more expensive to insure.

c) If you're renting an apartment the landlord has no legal responsiblity to replace or pay for your personal possessions in the event of fire, theft or natural disaster.
- If a visitor is injured in your apartment or home and sues for damages, you are responsible for paying the settlement.

Evaluation:

Assess Objective #1 by considering students' decriptions of the coverage provided by the policies they investigated. Assess Objective #2 by considering students' conclusions about which policy is most suitable for a particular situation. Students should be able to give logical reasons for their choice.

Additional Activities:

1. In the "Spending Plan" unit of **"Project Real World"**, students listed all of their possessions and calculated their net worth. Have them take this information to a local insurance agent and obtain estimates for insurance coverage of their possessions. (Most students' possessions will be covered by their parents' policies as long as the students are living at home.)
2. In small communities there may be only one or two insurance agents so students will be unable to do a community survey. In this situation invite the agent to come to the classroom to provide information or have students write to insurance companies in larger cities to gather information.
3. Have students compile a list of insurance terms and definitions. Using this list, have them read and compare the information provided in two similar insurance policies. Is the information provided in clear, easy to understand language?

ACTIVITY #4

LIABILITY INSURANCE

Objectives:

Students will be able to:

1. Describe the type of accident/liability insurance coverage offered by their school.
2. List the advantages of such insurance.
3. Explain how it protects parents as well as students.

Teacher Preparation:

Find out what company provides accident and/or liability insurance to the school; invite a representative from the company to speak to the class. If this is not possible, have the school division's secretary-treasurer or business administrator describe the school's coverage to the class.

Time:

One class period.

Procedure:

Remind students that accidents are common at school and that every school has insurance to protect itself. Actual coverage may vary. In some cases the insurance may cover any student medical expenses not covered by the provincial health care plan. In other situations, the insurance may provide only liability coverage so that the school is protected if the parents of an injured child sue.

The guest speaker should describe the kind of accident/liability coverage that the school has. The following points should be covered in the presentation.
- the advantages of school accident/liability insurance.
- a description of the type of accident/liability insurance the school has.
- the steps in the claims process when an accident occurs.
- rates, eligibility, etc.

Instruct students to prepare questions relevant to the topic. Have them ask how an accident that occurred recently at school was handled. Invent a hypothetical scenario, if possible, where a student is injured under unusual circumstances. What steps would be taken to settle the claim?

Ask the class to brainstorm how accident/liability insurance protects parents as well as students. Write ideas on chalk board or flip chart.

Evaluation:

If a formal evaluation is required, have students write a paragraph summarizing:
- the type of accident/liability coverage offered by their school
- the advantages of such insurance
- how it protects parents as well as students.

For informal evaluation simply monitor students' contributions to the question and answer and brainstorming sessions.

7. TAXES

For the Teacher

The government provides many services to people including education, health care, highway construction, national defense and police protection. In order to pay for these services, governments tax people. All three levels of government - municipal, provincial and federal - can levy taxes.

There are several types of taxes:

- **Personal income tax** paid by individuals on the basis of their income.
- **Corporate income tax** paid by corporations on the basis of their income.
- **Provincial sales tax** charged on goods sold to consumers. (Alberta and the Northwest Territories do not have sales tax).
- **Property tax** paid by people who own property, based on the value of their property.
- **Customs duty** paid on goods imported from other countries (note: because of the Free Trade Agreement, customs duties between Canada and the U.S.A. are constantly changing).
- **Business tax** paid by owners of businesses.
- **GST (Goods and Services Tax)** charged on goods and services sold to consumers.

Paying taxes is different from many other types of spending, because it is **involuntary.** We have no choice. We are all taxed according to rules and policies established by the government. We must pay our taxes or face legal penalties.

Taxes are one method of sharing income and promoting social and economic well-being among individuals and families. They do this by transferring money through social assistance payments, for example, to those who do not have sufficient income to acquire basic necessities.

By taxing people with incomes and transferring that money to people in need, the government attempts to influence the distribution of income, to reduce poverty and to create fair economic conditions in our society.

ACTIVITY #1

SHARE THE WEALTH

Objectives:

Students will be able to:

1. Identify the advantages and disadvantages of a compulsory taxation system such as the one that exists in Canada.

Teacher Preparation:

Duplicate a class set of the handout "Debates".

Time:

10 minutes for preparation. Two or three hours of out-of-class preparation time for those participating in the debate. One class period for debate.

Procedure:

Explain to students that taxes are used to pay for public services such as highways, hospitals, education, libraries, etc. If desired, have the class compile a list of services that are paid for with tax dollars.

Select affirmative and negative debating team members. Have students debate the topic:

"Be it resolved that people who do not want to use public goods and services such as libraries, schools, and garbage collection should not have to pay for them."

The procedure for conducting a debate is described in the handout "Debates". Distribute this handout to students and discuss it as necessary. Students will need to gather information about this topic prior to the debate. They can speak to elected officials and government administrators in addition to doing library research.

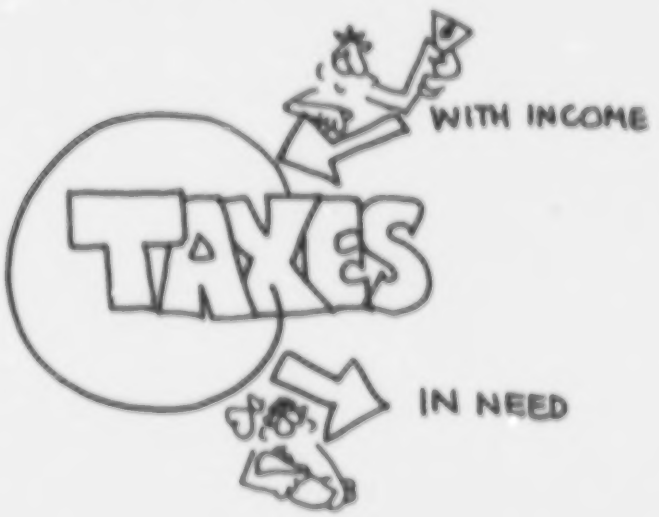
Note: By its nature, participation in a debate is limited to about six to eight students. Holding one debate every two months, using a different topic each time and assigning different students to the debate will ensure that all students have an opportunity to participate in a debate over the course of a year.

Evaluation:

In this activity, it will be possible to directly evaluate only those students who participated in the debate. If a formal evaluation of the rest of the class (those who watched the debate) is desired, ask the observers to write a paragraph giving their opinion on the topic of the debate and outlining reasons for their opinion.

Additional Activities:

Interview representatives from the major political parties and write a report summarizing their different philosophies and policies in regard to taxation.



STUDENT HANDOUT:

DEBATES

To accompany Activity #1 - "Share the Wealth"

The essence of debating involves taking sides on an issue and then presenting arguments for or against that issue. For example, your teacher may ask the class to debate the following issue, "Peace in the World is More Important to Women than to Men". In debating terms, this is called the proposition. The proposition defines the issue that will be debated.

Two teams debate the proposition, one team is for it, the other is against it. The team that argues in favour of the proposition is called the affirmative team, the team that argues against it is called the negative team. There are an equal number of people on each team. Teams can be composed of between two and five people.

Once affirmative and negative team members have been selected the next step is research. You and your fellow team members will search through books, magazines and other materials to find evidence to present the strongest possible arguments to prove your case. You can also interview people in order to obtain information.

During research you need to discover the main issues involved. It is not enough to concentrate on your side of the issue or proposition. You must also be aware of all the opposing arguments.

In debate, opinion counts for nothing. You can have an opinion about anything under the sun but no one will take it seriously unless you can show that it is based on some type of evidence. Therefore, during the research stage of the debate you should look for evidence that supports your case and evidence which would tend to weaken the other side's case.

Formal debates follow rigid and complex rules. Most high school students are more at ease with an informal debate.

In an informal debate, each team makes an opening statement. Usually the affirmative team speaks first. In the opening statement the teams each present their strongest arguments in favour of their case. The opening statement is usually 10 minutes long. One team member can present the argument for her team or all team members can speak depending upon the rules that your class sets for itself. In an opening statement, the teams state their case but they don't attempt to discredit or counter the opposing team's arguments.

Next, each team is allowed a few minutes to prepare its rebuttal. In the rebuttal, each team responds to the opening statement made by the other team. They can attack the other team's evidence or introduce new information in an attempt to counter the other team's argument.

There is usually a judge or a panel of judges in a debate. The judges make their decision on the basis of:

- the strengths and weaknesses of the arguments.
- errors in evidence or reasoning by either team (remember opinion is worthless, all arguments must be supported by evidence).
- the effectiveness of the delivery.

Ideally, at the end of a debate the judges will formally evaluate each team, pointing out both strengths and weaknesses for the benefit of observers as well as team members.

AFFIRMATIVE TEAM

NEGATIVE TEAM

Adapted from Dunbar, Robert E. *How To Debate*. New York: Franklin Watts, 1987. Used with permission. Copyright 1987 by Robert E. Dunbar.

ACTIVITY #8

FILLING OUT AN INCOME TAX RETURN

Objectives:

Students will be able to:

1. Complete their own personal income tax return.

Teacher Preparation:

Invite (or have students invite) a tax expert to participate in this activity. The tax expert could be an accountant, a lawyer or a parent who confidently completes his/her own tax returns. Obtain a supply of income tax returns and handbooks for those students who haven't received a personalized return.

Time:

One class period.

Procedure:

Instruct students to prepare for the class by gathering together any T-4s and other income tax forms they might have received. These should be brought to class. Ask the tax expert to explain to students the steps involved in completing an income tax return. A sample might be used to make the information more relevant. Have students complete their income tax returns, asking the tax expert for help when necessary.

Note: If some students have not received any income, provide sample T-4 forms and have students fill out an income tax return as if they had a part-time job (20 hours per week) that pays minimum wage.

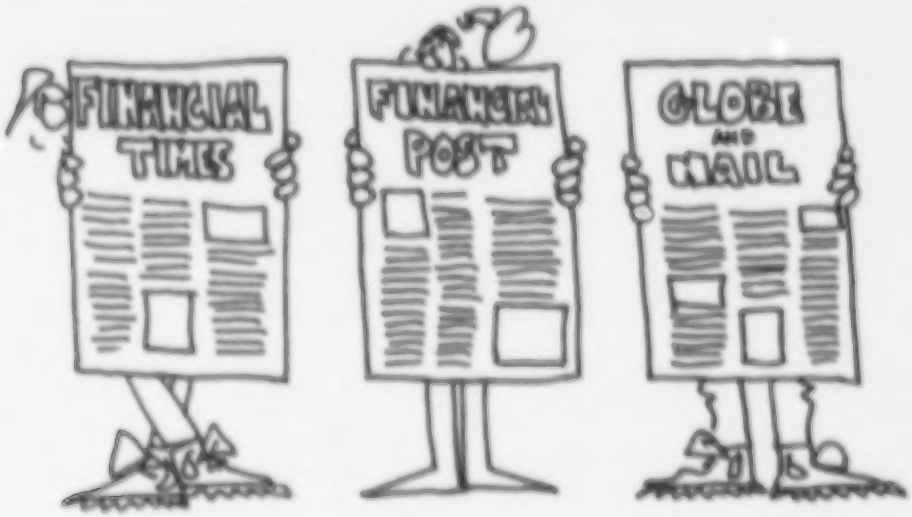
Evaluation:

Check students' returns to be sure that they have been completed accurately.

8. CHOICES AND CHALLENGES

For the Teacher

Investors can influence society through the type of investments they make. Investing in "ethical" stocks or mutual funds helps these companies grow and sends a message to other companies who do not have an "ethical" record. In recent years the number of "ethical" or "green" mutual funds have been established and business newspapers increasingly feature articles on this topic.



ACTIVITY #1

ETHICAL INVESTMENTS

Objectives:

Students will be able to:

1. Identify at least two "ethical" stocks or mutual funds.

Teacher Preparation:

Provide students with access to financial newspapers such as the **Financial Times**, the **Financial Post** or the business section of the **Globe and Mail**. It is likely that some parents receive those newspapers and would donate back issues to the class.

Time:

One class period.

Procedure:

Explain to students that many investors prefer to invest in "ethical" stocks or mutual funds. These are the stocks of companies that refuse to invest in South Africa and other repressive countries and the stocks of companies that are environmentally conscious. In recent years a number of "ethical" mutual funds have been established.

Divide students into groups of two or three. Have each group identify as many "ethical" stocks or mutual funds as they can.

This sort of information is frequently featured in the **Financial Times**, the **Financial Post** and in the business section of the **Globe and Mail**. EthnicScan Canada Ltd., P.O. Box 165, Station S., Toronto, Ontario M5M 4L7 is an information clearinghouse that, for a fee, will provide information on a company's environmental record or identify "environmentally friendly" stocks. Students might also interview a stockbroker on this topic. Compile a class list of "ethical" stocks and mutual funds.

Evaluation:

Has each group identified two "ethical" stocks or mutual funds?

SHOPPING SKILLS

Introduction

In today's complex marketplace the number and variety of consumer goods is seemingly endless and the pressures of advertising intense. In order to cope consumers need shopping skills. They need to be able to compare the price and quality of goods and services and look for the hidden costs associated with many goods. These hidden costs include repair, replacement and maintenance costs, and energy efficiency.

In order to make wise decisions, consumers need to know where to shop. Today, similar products can be purchased from a variety of sources ranging from designer boutiques to garage sales. An elaborate or elegant shop is no guarantee of good value or good quality.

In order to make wise decisions consumers also need to be aware of the techniques that retailers use to encourage them to buy. These range from advertising to the way that the store is arranged.

Purpose

The purpose of this chapter is to provide students with information and skills that will help them shop wisely and make satisfactory spending decisions.

Scope

This chapter on "Shopping Skills" covers nine topics. They are:

1. Marketplace Information
2. Food Shopping
3. Clothing
4. Housing
5. Furniture, Appliances and Electrical Equipment
6. Transportation
7. Recreation
8. Comparison Shopping
9. Choices and Challenges

Portions of this introduction have been adapted from Lent, Don R., and Driggers, Jimmie (1986). *Economic decisions for Canadian consumers*. Markham, Ont.: Butterworth.

1. MARKETPLACE INFORMATION

For the Teacher

The marketplace is complex and sophisticated. Not only do new products and services become available every day, but new ways of marketing products and services are also increasing. People need more information than ever when making a purchasing decision. They must evaluate this information to determine what is fact and what is propaganda.

Today, in addition to legitimate sales techniques, many gimmicks are used to sell products. These gimmicks range from phoney sales, to psychological pressure, to deals which are out-and-out fraudulent. Informed consumers know how to tell the difference between legitimate sales techniques and gimmicks. They also know how to resist the gimmicks.

A **contract** is implied in any transaction in the marketplace. In a simple transaction such as buying a litre of milk, the implied contract includes the understanding that the milk will be fresh and that the consumer will pay the appropriate price for the milk. A formal legal contract is usually used for more complex transactions. Understanding and interpreting such contracts is an important skill for everyone. People should always read the fine print and know what they are committing themselves to before they sign on the dotted line.

Related Content

Module I, The Canadian Marketplace and You; Chapter C, Political and Social Systems Influence the Marketplace; Topic 4, Advertising: Introduction and Persuasion.

ACTIVITY 8

CONSUMERS NEED PRODUCT INFORMATION

Objectives:

Students will be able to:

1. Use the information provided by consumer-oriented magazines and television programs to answer a series of questions about a specific product.

Teacher Preparation:

Bring (or ask students to bring) samples of **Consumer Reports**, **Canadian Consumer** and **Protect Yourself** to class. Videotape portions of the television programs **Marketplace** and **Live It Up**.

Time:

10 to 15 minutes for introduction. One hour out-of-class time for research (optional). One class period for preparation of posters.

Procedure:

Explain to students that dozens of versions of most products are available in the marketplace. Different manufacturers each put out several similar products. This is the case for both inexpensive products like laundry soap and costly products like cars and stereos. It is often difficult to make a wise decision when faced with such a range of products with so many apparent features. Doing research before they actually buy is one way that consumers can choose a product that's right for their needs.

Have students examine copies of the three major consumer magazines.
- **Consumer Reports**
- **Canadian Consumer**
- **Protect Yourself**

Explain to students that these magazines will be available at the local public library. (The school library should also have them). Ask students if any of their parents receive these magazines at home - probably at least a few do. Remind students of the two consumer oriented television programs and show a few short videotaped clips from each of these programs.
- **Marketplace**
- **Live It Up**

Discuss other sources of consumer information. These will vary from one part of the country to another but may include:
- columns in local newspapers
- short features on radio programs, for example, in some parts of the country the CBC morning radio program features an expert discussing the various models of cars available.

Now divide students into groups of two to four. Each group should pick a product that interests them - products, such as snack foods, fast foods, computers, compact disc players and cars are of interest to many students - and develop one or more questions they want to answer about the product.

For example, a group that has chosen hamburgers might want to answer the following questions:
- Which hamburger is lowest in fat? Lowest in calories? Which has the most protein, the most vitamins? Which tastes best?

Then have the group use consumer magazines and television programs and other sources of consumer information to answer their questions about the product they selected. At least some of this research will probably have to be done out of class.

Have each group make a poster showing their findings. The poster should include a listing of questions and answers and also a description of the sources that were used to answer the questions.

Make a large class display with all the posters.

Evaluation:

Examine students' posters. Do their answers appear to be based on research (not just made up)? Do students identify the sources they used to answer each question?

ACTIVITY #2

FROM HANDSHAKE TO FINE PRINT: CONTRACTS

Objectives:

Students will be able to:

1. Identify the rights of buyer and seller implied in simple contracts.
2. Interpret a complex contract.
3. Rewrite a complex contract in simple language.

Teacher Preparation:

Have students collect and bring to class simple contracts such as theatre tickets, dry cleaning receipts, parking ticket stubs, bus tickets, etc., and complex written agreements such as real estate documents, car or apartment leases, or bills of sale for large purchases.

Time:

Two class periods.

Procedure:

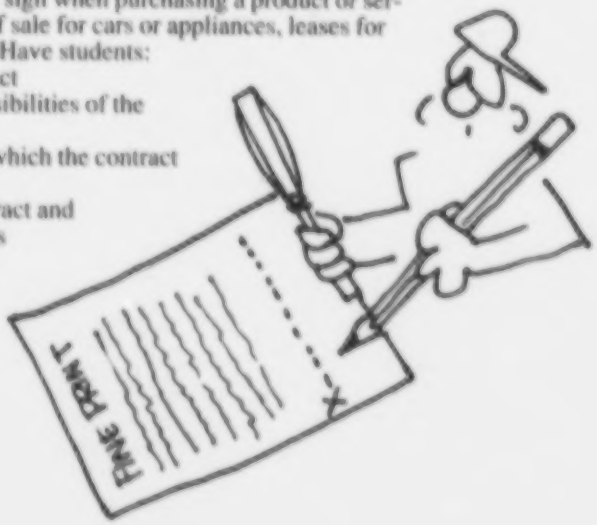
Explain to students that whenever they buy or sell anything, even a loaf of bread, they are entering into a contract. A contract does not need to be in writing and in earlier times was often sealed with a handshake. Discuss why, in today's society, a handshake is not always enough. Note that today, contracts are more often lengthy documents written in fine print and in language the layperson might not completely or easily understand.

Divide students into groups of three or four. Provide students with a collection of simple contracts such as theatre ticket stubs, parking ticket stubs, airline ticket documents, cleaning store receipts, etc. Have them list any information on these simple contracts that identifies the item being sold or describes the rights of the consumer and the rights of the seller. Have students also list and discuss the unwritten obligations of the buyer and seller that goes with each of these contracts. What can a consumer do if:

- s/he doesn't like a movie for which s/he purchased a ticket
- the dry cleaner damages or loses clothing left for cleaning
- his/her car is damaged while parked in a parking lot.

Now provide students with a collection of more detailed and lengthy contracts that consumers might sign when purchasing a product or service. This might include bills of sale for cars or appliances, leases for apartments or car rental forms. Have students:

- state the purpose of the contract
- identify the rights and responsibilities of the buyer and of the seller
- explain the conditions under which the contract can be cancelled
- read the fine print on the contract and identify and describe the terms and conditions in the fine print
- assess how easy the contract is to understand. Is the writing technical or in plain language?



Then have students attempt to rewrite the contract in simple everyday language.

If students are unable to rewrite all or part of a particular contract because they do no understand it, ask students whether they should sign such a contract. Would they understand what they are signing? In this case, students should go to the agency which issued the contract and ask for clarification. Have students share this information and their experience with the rest of the class.

Evaluation:

Assess whether Objective #1 has been achieved by considering the discussion which follows the examination of simple contract forms. Assess whether Objectives #2 and #3 have been achieved by examining students rewritten versions of the long formal contracts.

Additional Activities:

1. Have students prepare a list of rules for consumers who are signing contracts, starting with "read the fine print". Students should give a reason for each rule.
2. Have students role-play a situation in which a persuasive salesperson is using pressure to get someone to sign a contract for a product or service. How can they assess the salesperson's claims? How can they identify and resist the pressure? Students can take turns playing the roles of salesperson and consumer.

ACTIVITY #3

SALES TECHNIQUES

Objectives:

Students will be able to:

1. Distinguish "real" sales from phoney promotions in ads.
2. Identify ways in which consumers can cope with psychological sales techniques.
3. Identify fraudulent sales techniques.

Teacher Preparation:

Duplicate a class set of the handout "Buyer Beware." Ensure that a supply of old newspapers, magazines, comic books etc., are available for students' use.

Time:

One class period.

Procedure:

This activity has three parts. Students examine phoney sales, psychological techniques used by salespeople and fraudulent schemes. Spend 10 to 15 minutes of class time on each part of the activity. Activities can be done with the class as a whole or in small groups.

Phoney Sales
Have the students look at the first section of the handout. Ask students to spot the potential sales tricks in the ads displayed. Then have them go through the magazines and newspapers and clip other ads for sales which may not really be sales.

Psychological Techniques
After students have read the handout, divide them into pairs. One should play the role of the persuasive salesperson who uses psychological pressure to sell. The other student should be the customer who successfully resists this pressure. After a few minutes students should change roles so that both get a chance to be both customer and sales person.

Gyps and Fraudulent Schemes
Have students discuss the reason why gyps and fraudulent schemes are successful. (People may lack information, may be overly trusting or may want to get something for nothing.)

Then have them prepare a list of the actions a responsible and knowledgeable consumer would take to avoid becoming the victim of a fraudulent scheme. These actions may include:
- Remember, if something sounds too good to be true, it probably is.
- Check out products and services offered for sale through magazine ads or over the telephone with the Better Business Bureau or the provincial department of Consumer Affairs.
- Comparison shop - usually you can buy products similar to those sold in magazines or comics in local stores.
- Ask questions of the person promoting the sale. If the person avoids the question or gives less than a full and frank answer - beware!

Evaluation:

To assess whether Objective #1 has been achieved consider students' reactions to the ads on the handout. Are they able to tell why each one is not a real sale? Consider the role-plays to assess whether Objective #2 has been achieved. Were students able to successfully resist their partner's psychological sales tactics? Finally to assess Objective #3, consider students' lists of actions that consumers might take to avoid fraudulent schemes.

STUDENT HANDOUT:

BUYER BEWARE

To accompany Activity #3, "Sales Techniques"

Protect yourself from fast talking sales people and phone sales techniques, and deceptive advertising. Don't fall for the gimmicks described below.

When is a Sale a Sale?
What sales trick is used in each of these advertisements?

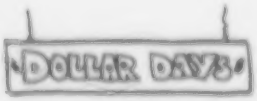
GET IN THE SWING TO PHYSICAL FITNESS
YOUR ANSWER TO THAT QUEST FOR A BODY BEAUTIFUL
$150.00 ea
ROWING MACHINES
- EXCEPTIONAL SALE WHILE THEY LAST -

Psychological Sales Techniques
"Hurry! Buy today - this deal ends tomorrow!" How many times have you heard that line? It's an example of the way that psychological pressure can be used to encourage people to buy.

A salesperson who uses psychological pressure may appeal to your desire for a good deal, your wish to be attractive or your desire for security. Statements made by a person using psychological sales techniques might include:
- If you really care about your children you want them to have the best and our product is the best.
- Do you know what the crime rate is in our country? The average home is broken into every two years. Protect yourself and your family; buy our product.
- If you look good, you feel more confident and more self assured; others treat you with new respect. Our product can change your life.

A sales person who is using psychological pressure will repeatedly urge you to buy and may attempt to flatter, scare or bully you into buying.
There are a number of ways to cope with psychological pressure. These include:
- walking away, closing the door or hanging up the phone
- telling the salesperson that you need time to think about the deal. A legitimate and honest salesperson will honour this request.
- repeatedly telling the salesperson politely but firmly that you are not interested. This is sometimes called the "broken record" technique.

Gyps and Fraudulent Schemes
Gyps or fraudulent schemes are usually promoted through magazine or newspaper ads or over the telephone. They often promise something for nothing, are too good to be true or misrepresent the product being sold. Some common gyps and frauds include:
- phoney health or beauty treatments such as baldness cures, bust developers, eat all you want diet plans, etc.
- prize offers - some promoters send people a postcard or letter telling them that they are eligible to win a prize. The catch is that to be eligible for the prize they must first buy a product. The product being sold is often overpriced or of poor quality and the purchaser's chance of winning the prize is very small.
- deceptive advertising - comic books sometimes feature ads for products such as toy soldiers or sea monkeys. People who order these products are nearly always disappointed. The toy soldiers when they arrive are very tiny and of poor quality. The sea monkeys are simply brine shrimps.



ACTIVITY #4

THE SPENDING PIE

Objectives:

Students will be able to:

1. Name the four largest areas of consumer expenditures.
2. State the average percentage of take-home pay that is typically spent on each.
3. Develop a spending pie that reflects a typical teenagers' spending.

Teacher Preparation:

Duplicate a class set of the handout "How Others Spend Their Income - The Percentages". Be sure that there is an adequate supply of paper and markers.

Time:

One class period.

Procedure:

Distribute the handout "How Others Spend Their Income - The Percentages". Explain that the percentages on the handout were developed for employed adults with or without families. Ask students whether they feel the percentages are relevant to their particular stage of life. Why or why not? Write student comments on the blackboard. Do they think that the percentages in each category will change as they move through the life cycle? Identify where the largest changes might occur. Write responses on the blackboard.

Divide the class into groups of three and have each group appoint a recorder. Give each group a large sheet of paper and a marker. Have each group make a spending pie in which they identify the categories in a typical teenager's spending plan and the percentages of total income spent on each category. The spending categories that students identify for their own plans may be different than those on the handout. For example, teenagers may not have a category for housing, but they might have categories for entertainment and sports equipment.

Have students tape their completed spending pies on the classroom walls.

Are the expenditures in these pies quite different from the original family pie? Do the percentages and categories of expenditures in the students' pies resemble each other?

Evaluation:

To assess whether Objectives #1 and #2 have been achieved do a brief review at the end of the class period. Ask students to identify the four major spending categories in a family's spending plan and the percentages of income spent on each. To assess whether Objective #3 has been achieved examine the spending pies drawn by students. Are they completed satisfactorily?

Additional Activities:

1. Have students survey a parent or other adult and draw a spending pie to reflect the way that person spends his/her money.

STUDENT HANDOUT:

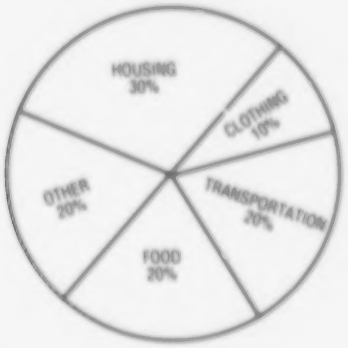
HOW OTHERS SPEND THEIR INCOME - THE PERCENTAGES

To accompany Activity #4, "The Spending Pie"

Once your budget has been worked out, you may be asking yourself:
- How does the average family spend its money?
- How much of an employed person's income should be spent on food, clothing, etc.?

Many people ask these questions because they are interested in seeing how others spend their money.

This diagram shows the percentage of take home pay that money management experts recommend you spend on various expenses. The guidelines are for employed people, with or without families.

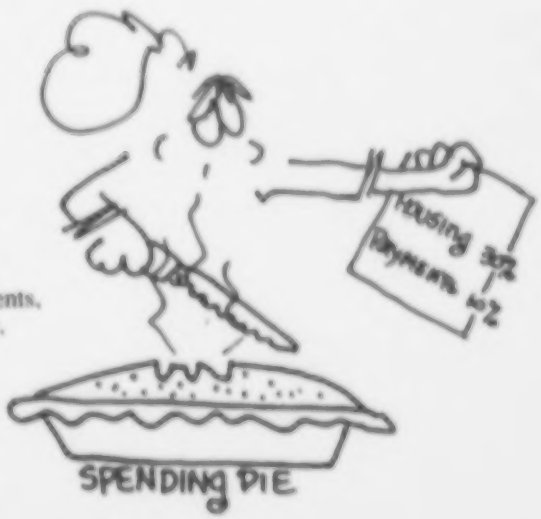


There are three points that should be considered carefully:

Total - 100%
- No matter how you spend your money, the percentages must add up to 100%.
- If the total is greater than 100%, your expenses exceed your income and you are heading for trouble.

Housing - 30%
- Total housing costs should not be more than 30% of your take-home pay.
- Total housing costs include all costs related to running a home.
  For example: Rent or mortgage payments, utility bills, maintenance and repair costs, taxes, insurance, etc.
- A plan that allocates more than 30% of income to housing will not have much breathing room.

Payments - 10 to 15%
- To keep your spending plan from becoming uncomfortably tight, spend no more than 10 to 15% of take-home pay for monthly payments, such as loans and charge accounts.



2. FOOD SHOPPING

For the Teacher

Grocery stores present a major challenge to people's decision-making skills. The choice is overwhelming with over 10,000 products available. Consumers are faced with a potential decision every 1/5th of a second as they walk through the store. Grocery stores use a range of sophisticated techniques to entice you to buy - perhaps more than you intended:

- **The layout of the store** is designed to take you all over when buying staples like bread, milk, meat and produce. (While you're travelling to these sections you are tempted to pick up other items.)
- **End of aisle displays** suggest a sale or "special" on foods. This may not be so.
- **Higher priced, brand name products are at eye level** and you may have to stoop or stretch for the lower priced items.
- **Pricing techniques** such as 2 for $1.99 and 99 rather than $1.00 etc. suggest economies and encourage stock-piling.
- **Candies and magazines at the check-out** are one last temptation to impulse buy.

Advanced food processing techniques and transportation systems enable Canadians to select a wide variety of foods, including an abundance of fresh foods from around the world year-round.

Forms of Food

In Canada you can buy foods in many forms. The same food can be bought **unprocessed** from the grocery store, **prepared** and **frozen** from the grocery store, or **prepared** and **served** from a restaurant. The difference between the three is the amount of commercial processing and preparation the food undergoes.

The more commercial preparation food is given, the more time it saves the consumer. Today, many people are willing to spend a little more money for a product which saves them time. They view it as a way of buying time to do things they enjoy more than cooking. **Convenience foods,** usually but not always, cost more than those which must be cooked by the family chef. The exceptions are things such as frozen vegetables and juices, and cake mixes. Sometimes when a family consists of only one or two people, prepared or restaurant foods cost less in the long run because there is less waste involved.

The same food product can vary greatly in price depending upon the store from which it is bought. Generally, items are most expensive from small **convenience stores** such as 7-11 or Mac's and less expensive in **supermarkets** (grocery stores). Prices can vary between supermarkets and even from day to day within the same store, depending on what is on special that week.

Food Pricing

In recent years, the **Universal Product Code** or **UPC** has come into use in most grocery stores and supermarkets. The UPC is a grid of lines, bars and numbers which appears on products. It contains coded information about the product brand, size and price. At the checkstand, the cashier moves the UPC over an electronic scanner and the UPC triggers the cash register to record this information on the register's paper tape. At the same time, this information is flashed on an electronic readout panel visible to the consumer and the cashier and is recorded by the store's computer system.

The UPC makes life simpler for the supermarket industry. It provides up-to-date inventory counts, speeds up checkout procedures and reduces checker error. Despite these advantages many consumers dislike the system because it means that the price is not marked on individual items. Instead it usually just appears on the shelf. This makes it more difficult to comparison shop and to ensure that you are not buying old stock at new higher prices.

Unit Pricing

Some grocery stores use **unit pricing** to help consumers figure out which product is the best buy. Unit pricing is the pricing of a product per 100 grams (or any other small measure). It allows consumers to compare the cost of products which are packaged differently. For example, if you want to compare two cereals, one of which is 200 grams heavier than the other, you would look at the unit price of each, normally provided on a shelf tag along with the price per item, to see which is the better value.

Food Additives

More than three-quarters of the food consumed in North America undergoes some chemical alteration between the time it leaves the "farm" and the time it reaches our table. Each of us consumes an average of six to seven pounds of additives annually.

There are more than three thousand additives, not all of which are listed on food labels. Food additives are not new. They have played a major role in our diets since early times when salt, sugar and other substances were used as preservatives. Additives can be natural or synthetically produced. **A large array of chemical additives are used to increase nutritional value, improve the quality, taste or appearance of food and to prevent spoilage.**

The safety of such food depends on its toxicity and the amount we eat. Many nutritious, healthful foods such as spinach, bananas and potatoes contain enough naturally occurring toxins to be harmful, if eaten in excessive amounts.

Food additives undergo extensive testing to ensure their safety before approval for use in food.

An additive-free diet would mean complete reliance on foods in season, produced locally and eaten while fresh.

There is some risk associated with the use of additives. It is a responsibility of consumers to be as knowledgable as possible about the content of the food they choose to eat and to follow good dietary practices.

Safety of food in Canada is legislated under the Federal **Food and Drug Act** which stipulates the information required on food labels, regulates the inspection and grading of many food items and checks out advertising related to food.

Food Hazards

Hazards related to food originate with the consumer, the manufacturer and the food itself. **Microbiological hazards** - food-borne illnesses - pose the greatest hazard. Salmonella and other bacteria in food are the main causes of food poisoning. The consumer must know and practice the rudiments of safe handling, preparation and storage of food.

When food poisoning is suspected or any marketed food smells, looks or tastes strange, is mouldy, contains insects or any foreign material, it is important that the consumer report this to the nearest Health Protection Branch of Health and Welfare Canada. The manufacturer has the responsibility to prepare food to minimize the presence of toxins or contaminants and to ensure the consumer gets safe, wholesome food.

The second hazard involves the use of additives or other additions to food.

The **Health Protection Branch of Health and Welfare Canada** makes regular checks on food manufacturers; follows up on consumer calls and complaints; and protects consumers against exposure to foreign matter in food, foods of inferior nutritional quality, and against the unregulated use of food additives. Standards are also established for animal feed additives and pesticides used in food production.

Many industries and food producers maintain their own organizations to monitor food safety and provide consumer information, such as: The Bakery Council of Canada, Provincial Meat Marketing Boards, Provincial Egg Marketing Boards, The Dairy Bureau of Canada, The Canadian Soft Drink Association, The Beef Information Centre.

For some people, growing their own vegetables, picking wild berries and raising chickens are options. These tactics greatly reduce the dollar cost of food, and concern regarding hazards, but do have a cost in terms of the amount of time they require.

Related Content

Module V, Citizen Participation in Canada's Market-Based Society; Chapter A, Consumer Rights and Responsibilities; Topic 2, The Right to be Informed/The Responsibility to be Aware.

Material on food pricing adapted from: Lent, Don R. and Drigger, Joann (1984). *Economic decisions for Canadian consumers*. Markham, Ont.: Wadsworth. Used with permission.

ACTIVITY #1

WHAT ARE YOU EATING AND WHY?

Objectives:

Students will be able to:

1. Categorize food according to the amount of commercial preparation it undergoes.
2. Analyze their own food consumption in terms of these categories.
3. Recognize that food consumption is influenced by budget, lifestyle and values.

Teacher Preparation:

Ensure that students have access to community resources.

Time:

10 to 15 minutes for introduction. One-half class period for discussion of research findings.

Procedure:

Explain to students that the same food is often available in different forms depending on the amount of preparation and processing it undergoes. Three general categories are:

- **basic, unprepared foods**
- **prepared, frozen or canned items**
- **foods served in restaurants.**

Write these three categories on the board.

Have students keep track of the food they eat for a week. They should write down each meal and snack and identify which of the three categories the meal or snack falls into.

At the end of the week, work with the class as a whole. Ask some volunteers to describe their food consumption patterns. There will probably be considerable variety among students. Then ask students to identify some reasons for these variations. If students have difficulty suggesting reasons for the variations, ask questions such as the following:

- **Do all families/individuals have the same amount of money to spend on food?**
- **Do all families/individuals have the same tastes in food?**
- **Do all families/individuals have the same amount of time to spend on food shopping and preparation?**
- **Do all families/individuals have the same priorities and values? (e.g., economical, home-cooked meals are considered a priority by some families; for others it is more important to have leisure time and to keep household chores to a minimum.)**
- **Do all people enjoy cooking?**

It is important that students realize that people use convenience, prepared and restaurant meals to varying degrees because their budgets, lifestyles and values differ.

Evaluation:

Assess whether Objectives #1 and #2 have been achieved by examining students' food logs. Has a complete record been kept? Have the various foods been identified as belonging to the appropriate categories? Assess whether Objective #3 has been achieved by considering the discussion which concludes this activity in which students attempt to identify why different families/individuals use varying amounts of convenience and restaurant foods. Student comments should indicate that personal food preference, budget, lifestyle and values/priorities influence the extent to which individuals use convenience and restaurant foods.

Additional Activities:

1. When students are keeping their food lists, have them write down the cost of each food item that they pay for with their own money. This will probably include fast-food and snacks such as chips, pop, etc. At the end of the week ask them to total the amount of their own money they spent on food. Then have them calculate this amount as a percentage of their total weekly income.

ACTIVITY #1

MEAL PLANNING

Objectives:

Students will be able to:

1. Develop a meal plan for a week which realistically reflects their "family's" budget and food preferences and also provides good nutrition.
2. Use their meal plan to develop a shopping list for a week.

Teacher Preparation:

Duplicate a class set of the handout "Meal Planning". Ensure that students have access to community resources.

Time:

One class period for introduction. One hour out-of-class time for research.

Procedure:

Have students imagine that they are sharing an apartment with two room-mates. During the week the three room-mates eat breakfast and dinner together and they each pack a lunch to take with them to work or school. On weekends they usually eat out or visit their parents. They take turns cooking. Each person cooks every third week. At the beginning of the week, the chef for the week makes a meal plan, develops a shopping list and does the shopping. Each student has $100 to spend on groceries.

Students are to imagine that it is their week to cook. They will need to consult with their room-mates about their tastes in food, develop a food plan and a shopping list. Handout copies of "Meal Planning".

Instead of actually shopping, they are to go to the supermarket, write down the cost of each item on the list and calculate the total cost of the week's groceries. The handout "Meal Planning" will give students useful background information for this activity. They may wish to refer to cookbooks or magazines when developing their meal plan.

Meal plan, shopping list and list of the cost of the items to be purchased should be handed in at the completion of the activity.

Evaluation:

Examine students' meal plans and shopping lists to assess whether the objectives have been achieved.

Additional Activities:

1. Have students ask their parents what the family's average food bill is. Divide this amount by the number of people in the family in order to get the monthly food cost for one person. Then have students use this figure to calculate what their food cost for a lifetime will be if they live to be 80 years old. (Ignore inflation.)
2. There are many individuals and families in our society who live below the poverty level. These families are the focus of the "Additional Activities" sections of several of the activities in this chapter. Have students collect three types of information:
   - How much money per month would the provincial Social Assistance Program provide to a family of three (parent, two teenagers) for their living expenses? How is this budget broken down for food, clothing, housing, etc.? This information is available from the local office of the Department/Ministry of Social Services.
   - What is minimum wage? How much per month would a person working 40 hours per week at minimum wage earn?
   - What is the maximum student loan available to a student (assume a single parent with one small child)? How much does the student loan allocate for food, housing, clothes, etc. This information is available from the student counselling office at any university or technical school or from the provincial Department/Ministry of Education.

Have students prepare weekly food plans for people whose income comes from social assistance, minimum wage employment or student loans. For social assistance, assume a family of three (one parent, two teenagers). For minimum wage, assume a single person. For student loans, assume a single parent with a small baby. At the conclusion of this activity discuss other sources of food for low income families such as food banks and gardens. How practical are these other alternatives?

STUDENT HANDOUT:

MEAL PLANNING

To accompany Activity #2, "Meal Planning"

Planning is the secret to tasty, nutritious, economical meals. Regardless of whether you are planning meals for a family or for your room-mates, planning begins with a weekly meal plan. Plan a menu for each dinner that you will be eating at home.

Plan for breakfasts if these are eaten at home, and any packed lunches which must be prepared.

When planning menus consider cost (steak every night is obviously too costly), and your room-mates' food preferences. Liver and cauliflower may be great bargains, but there's no point in serving them if everyone hates them. It's a good idea to look at the specials advertised in the newspaper before you prepare your weekly meal plan and try and build at least a few meals around these specials.

When preparing the meal plan, you should consider the time available for food preparation. On the weekends you may have quite a bit of time and may be able to cook quantities of food to freeze for later use. During the week you may have an hour or less to prepare the evening meal. Therefore, you'll want to serve foods that are quick to prepare during the week - pasta, hamburgers and salads. Roasts and elaborate casseroles are better left for the weekend.

When preparing your weekly food plan, be sure to follow **Canada's Food Guide.** Each day adolescents need:

- three or four servings of milk and milk products (cheese, yogurt, cottage cheese, etc.)
- three to five servings of bread and cereals (pasta, muffins, buns, etc.)
- two servings of meat, fish, poultry or alternatives such as peanut butter, eggs, dried beans or lentils, etc.
- four or five servings of fruit and vegetables

Once you've made a meal plan, the next step is to prepare your shopping list. Keep the list handy in the kitchen all week so that you can write down basic items such as tea, coffee, ketchup and flour as these items run low. Then add the foods that you need for the week's recipes. Organize your list according to the major sections in your supermarket to save time.

Shopping Tips:

When you go shopping, eat before you go. It is much easier to resist impulse purchases if you're not hungry.

- Follow your list, but be flexible. If there is an unadvertised special, canned tuna for example, you might decide to prepare a tuna casserole instead of the hamburger casserole that you planned.
- Try to avoid buying chips, pop, chocolate bars or similar foods. They have little nutritional value and are very expensive.
- Buy sizes of products and quantities that are appropriate for your household. If you and all your room-mates drink milk, you might need to buy four litres a week. If none of you drink milk, a half-litre box will probably be enough to put in coffee and use in sauces.
- Buy only what you'll use. If you need one orange to make a sauce for pork chops, buy just one orange; but if everyone in your house loves oranges and eats them for snacks, buy a ten-pound bag.

ACTIVITY #3

WHAT'S ON A FOOD LABEL?

Objectives:

Students will be able to:

1. Recognize at least five of the most common food additives and explain their purpose.
2. Use the label on a food product to identify the main ingredient in the product.
3. Identify the grades used to categorize foods such as meat, poultry and eggs, and describe the characteristics of each grade.

Teacher Preparation:

Ask students to bring a supply of various clean, empty food containers to class. Suitable containers include cereal boxes, empty cans, packages from cake mixes or soup mixes. Duplicate a class set of the handouts "Food Additives" and "Food Labelling Laws". Gather dictionaries, encyclopedias and other appropriate reference materials.

Time:

One class period.

Procedure:

Divide students into groups of three or four and give each group a supply of empty food containers. Explain to students that "food additives" are ingredients added to foods to enhance them in some way such as lengthen shelf life, preserve, add colour and flavour, maintain crispness, etc. Ask students for some examples of food additives. The handout "Food Additives" provides additional information about food additives. Distribute the handout "Food Additives" and reference material.

1. Have each group choose one example and display the following information on a class chart:
   - Review the handout "Food Labelling Laws" to identify the information which, by law, must be on the label of a food product.
   - Read the label of the food product, noting the information which is listed on the label to conform to the law, and the information which is supplied voluntarily by the manufacturer.
   - Identify the food additives listed on the label of the food product. Look up each additive on the handout to determine its function. Categorize the additives according to their functions. Which additives are used most frequently? Why are they used?
2. Under the **Packaging and Labelling Act**, ingredients in a food must be listed in order of amount from largest to smallest. Have students identify food items from their samples that are:
   - largely water
   - largely sugar - includes dextrose and sucrose
   - largely flour or cornstarch
   - high in additives
   - contain few, if any, additives.

   This information can be displayed on a class chart.
3. Many food products such as meat, eggs and canned foods are inspected and graded. Tell students to look for this information on the food containers they have. Have them identify the grades for the various food items and describe the characteristics of each grade. Display this information on a class chart.

Evaluation:

During this activity, students will have prepared three class charts, one relating to each of the three objectives. Examine students' charts to determine whether the objectives have been achieved.

Additional Activities:

1. Have students play a guessing game. Ask them to read out the list of ingredients on the labels of common food products. Other students should try to guess what the product is.

2. Have students visit a health food store. Have them:
   - Read the labels on a variety of products and compare these labels to the ones on similar foods from a regular store. Which has more or less additives? Do ingredients differ?
   - Purchase some of these food items. Do a comparison test with a similar product purchased in a regular market. Compare according to taste, texture, colour, nutritional value, preparation, storage, length of storage time, cost, and so on.

STUDENT HANDOUT:

FOOD ADDITIVES

To accompany Activity #3, "What's On a Food Label?"

Food additives serve many functions. Sometimes they help to preserve a food, sometimes to enhance the flavour or texture. Some food additives serve more than one purpose. The following is a partial list of food additives and the functions they play in the food we eat.

Type	Function	Examples	Foods in which these Additives may be found
Anticaking agents	Keep powders free running	Magnesium carbonate	Icing sugar
Antifoaming agents	Prevent foaming during the manufacture of foods such as jam	Mono and diglycerides	Jam
Bleaching and Maturing agents	Hasten the natural process of whitening and maturing of wheat flour	Chlorine Vitamin C	Flour and Fruits
Carrier or Extraction Solvents	Used to dissolve flavours, colours and spices	Ethyl alcohol Glycerol Mono and diglycerides	Vanilla extract
Colours	Give food an appetizing appearance	Carotene	Butter and Cheese
Firming and Crisping agents	Maintain the texture of fruits and vegetables	Calcium Chloride Calcium Sulphate	Canned Vegetables
Glazing and Polishing agents	Make food surfaces shiny; sometimes protects food from spoiling	Glycerol Acacia Gum (gum arabic)	Candies
Food Enzymes	Act as catalysts to initiate desired chemical reactions	Rennet, Papain and Pepsin	Rennet is used to curdle milk in the making of cheeses
Humectants	Maintains desired moisture levels	Sorbital, Glycerol, Mono and diglycerides Propylene Glycol	Shredded coconut Marshmallows
pH Adjusting agents (acids, alkalis and	Control the acidity or alkalinity (pH) of foods; modify flavour slightly buffering agents)	Sodium Bicarbonate Calcium Carbonate (chalk) Calcium Sulphate Citric Acid Lactic Acid Sodium Citrate	Baking Powder
Preservatives	Inhibit the growth of moulds, yeasts or bacteria; prevent rancidity and oxidative discoloration	Sodium Diacetate Citric Acid Ascorbic Acid (Vitamin C) Butylated Hydroxyanisole (BHA) Calcium Propionate Propionic Acid Propyl Gallate Sodium Nitrate/Nitrite	Bread Fruit Oil

Type	Function	Examples	Foods in which these Additives may be found
Pressure Dispensing Agents	Act as propellants to dispense foods such as whipped toppings from aerosol containers	N-butane Isobutane Nitrous Oxide	Aerosol Whipped toppings
Release agents	Help food separate from surfaces it touches during manufacturing or transport	Mineral Oil Mono and diglycerides Sorbitol Lecithin	Baked Goods (to remove from baking pans without sticking)
Sweeteners	Substances used to sweeten foods other than conventional sweeteners such as sucrose, fructose or glucose	Sorbitol Aspartame	Candy, Whipped Toppings, Pudding
Sequestering agents	Combine with metallic elements in food, preventing reactions causing colour or food deterioration	Citric Acid Sodium Citrate	Canned Fruits and Vegetables
Yeast Foods	Substances that supply food for yeasts	Calcium Sulphate Calcium Carbonate (chalk)	Bread Beer
Miscellaneous agents	A variety of food additives: carbonating agents in soft drinks, plasticizing agents in gum, deodorizing agents in fats and oils, foaming agents in beverages	Sodium Bicarbonate Caffeine	Gum Soft Drinks etc.

STUDENT HANDOUT:

FOOD LABELLING LAWS

To accompany Activity #3, "What's On a Food Label?"

All food labels must have the following:

The Common Name
- the name by which the food is generally known
  i.e.: apple juice, peas
- in both English and French
  Metric Net Quantity
- by volume (ml, l); weight (kg, g); or count (1, 2, 3,)
- in English and French

List of Ingredients
- in descending order of proportion by weight
  i.e.: if the largest part of a product is potatoes, potatoes must be the first item on the list
- spices and seasonings (not including salt) may be shown at the end of the list in any order
- in English and French

Name and Address of the Producer
- must use legal registered company name
- in English or French

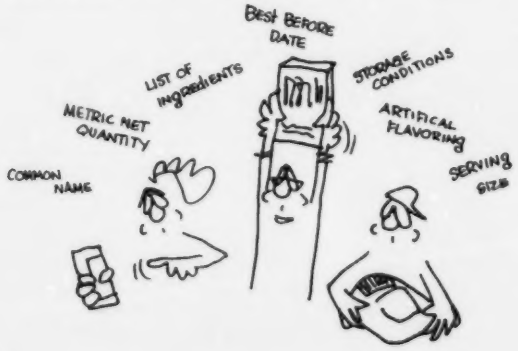
Best Before Date
- if a product has a durable life of less than 90 days (except for fresh fruit and vegetables) the "Best Before" date must be clearly marked

Storage Conditions
- if a food must be stored under conditions other than normal room conditions, those storage conditions must be listed on the label
- in both English and French

Artificial Flavouring
- if a label infers a natural flavouring source (i.e., has a photo of an apple), but uses artificial flavouring, the label must state, near the picture, that artificial flavouring has been added

Serving Size
- if the number of servings is shown, the size of serving must be listed

Added Nutrients
- if nutrients (vitamins and minerals) have been added to a food, the label must show the content of the nutrient in the food
- must be expressed as a percentage of the Recommended Daily Intake for that nutrient
- may also state "enriched with ...", fortified with ..." or vitaminized with ..."



Additional Regulations for Meat and Poultry

Packaging Date
- date product was packaged

Grades and Standards
- meat and poultry are graded A, B and Utility. When you see these gradings, you know that the meat or poultry has been graded according to federal standards
- all grades are equally nutritious. Flavour and tenderness vary from grade to grade

Previously Frozen
- if meat, fish or poultry have been frozen and then thawed, the words "previously frozen" must be on the label or on a sign close to where the food is sold
- such food should be eaten immediately or cooked before it is refrozen

ACTIVITY #4

HOW GROCERY STORES ENCOURAGE YOU TO BUY

Objectives:

Students will be able to:

1. Identify examples of the techniques that grocery stores use to sell products.

Teacher Preparation:

Duplicate a class set of the handout "Tricks of the Trade".

Time:

10 to 15 minutes for introduction. One hour out-of-class time for research and preparation of sketches.

Procedure:

Remind students that supermarkets want you to buy and that they use many subtle techniques to encourage people to spend money. Distribute the handout "Tricks of the Trade" and give students time to read it.

Have students work alone or in groups of two or three. Tell each individual or group to spend a few minutes at a local supermarket or grocery store. Their task is to find one example of each sales technique listed on the handout and to draw a quick sketch of the way in which that particular technique is used in the store surveyed. Students' sketches can be displayed in a series of appropriately labelled bulletin boards.

Evaluation:

Examine students' sketches. Do they have at least one sketch which accurately represents each supermarket sales technique?

Additional Activities:

1. Tell students that they are designing a new supermarket. Have them work in groups to draw a floor plan of the supermarket. The plan should show how products are arranged to encourage people to buy.

STUDENT HANDOUT:

TRICKS OF THE TRADE

To accompany Activity #4, "How Grocery Stores Encourage You to Buy"

Because supermarkets want to encourage you to buy, they use a number of techniques that promote impulse buying and increased spending.

1. **Most stores are laid out in ways that encourage the shopper to buy.** In the layout of a typical grocery store:
   - The area just inside the door is filled with specials.
   - Meat, dairy products, produce and other high-profit items are arranged around the outside of the store because consumers normally walk around the outside of the store.
   - Milk is at the back of the store so that shoppers have to walk by many other products to get there. Often shoppers have to pass the frozen foods (typical impulse buys) to get to the milk section.
   - Small items with high profit margins such as magazines and candy are placed by the checkout counter.
   - The in-store bakery is located near the front of the store so that customers can both smell and see the baked goods as soon as they come into the store.
   - Related products are sometimes displayed together. For example, stuffing mix and cranberries might be displayed next to the frozen turkeys, thus encouraging the shopper to buy these products.
   - Crackers, candies and snack foods are often displayed at the end of the aisles or in islands between the aisles to encourage impulse buying.
2. **People are more likely to buy a product if it is located between their waist and their neck.** Therefore, the more expensive products are usually located on the middle shelves at eye or hand level. Children's products - toys, candies, cereal and cookies are often located on lower shelves so that children have more of an opportunity to see them.
3. **Supermarkets use a variety of techniques to create the illusion of a bargain.** These include:
   - Putting regularly priced crackers, cookies and snack foods in displays at the end of the aisles or in islands. People assume that if the product is featured in a display it must be on special.
   - Multiple pricing. Instead of 60 cents each, the sale item is priced at 2 for $1.19. A 30 cents item may be on sale for 6 for $1.79. The saving may only be one cent but the volume of sales is increased greatly.
   - Pricing items so that the price ends in a "9". To some shoppers $1.99 seems cheaper than $2.00.
4. **Marketing gimmicks are common in many supermarkets.** They include:
   - coupons, contests and sweepstakes
   - in-store demonstrations and samples

Adapted from: Green, D. Hayden (1988). *Consumers in th economy*. 2nd ed. Cincinnati: South-Western and "How to Save $2500 a year in the supermarket" (1988). *Consumer report*, March 1988. Used with permission.

3. CLOTHING

For the Teacher

Most teenagers are very interested in the way they look (some may be too interested!) and in their image. Clothing plays a major role in creating this image. It also is a primary category for teenage spending. Teenagers tend to be strongly influenced by their peers and clothing can be viewed as an indicator of status, popularity, being part of the "in group" or rejection of the status quo.

Teenagers are a key target for clothing manufacturers and marketers. The choices of clothing available to teenagers and the pressures to be "in style" place demands on their decision-making, shopping and financial management skills, as well as their sense of personal confidence.

There are a number of approaches a person can take to buying clothes:

Planned Approach:

- This includes a regular wardrobe review every year or so, in order to discard old items and plan the purchase of new ones. This type of wardrobe is built around one or two basic colours and only items which fit into this basic colour scheme are purchased. All clothing purchases are made according to the plan and impulse buying is avoided.

  This type of wardrobe planning has many advantages. It can be the most economical way to shop for clothes and results in a versatile co-ordinated wardrobe. This approach, however, leaves little room for spontaneity and variety, and may fail to allow for fashion trends.

Total Outfit Approach:

- This is where a person buys a complete outfit including shoes and accessories at the same time. The chief disadvantage of this approach is cost. Buying a full outfit is very expensive and you may not be able to take advantage of sales and you may be able to afford fewer clothes as a result. The advantage is that you are sure your "look" is complete.

Impulse Approach:

- This often results in the purchase of clothing which doesn't match anything else in your wardrobe and clothing which is of poor quality or inappropriate for your lifestyle. However, sometimes buying on impulse is the only way that you can be sure of getting that "perfect" fashion item that you can't live without. Generally, impulse buying is less risky for people who have a good sense of their own individual style.

Creating Your Own Style:

- While some teenagers get "hooked" into designer fashions, you don't need to spend big money to create your own personal style with clothing. With some imagination and planning students can build a wardrobe which is individual, distinctive, affordable and stylish.

Sources of Clothing are as varied as styles. They include:

- clothing stores
- discount stores (Army & Navy)
- second-hand stores
- garage sales
- friends and family member swaps
- sewing
- classified ads
- catalogues

Points to consider before you buy:

Quality:
- Are buttons sewn on well?
- Is fabric strong and shrink proof?
- Is the construction of the garment good?
- Thread used for seams should not be frayed or broken, seams should not pucker, double stitching should be used at stress points, edges of seams should be finished.
- Is the garment easy to care for? A garment that has to be dry cleaned is expensive to care for.

Price:
- Price is not always an indication of quality. The quality of some designer clothes is no better than that of clothing from budget shops, but it is more expensive. You are paying for the designer label.

Style:
- Does the garment flatter you?
- Does wearing it make you feel good?
- Does it present the kind of image that you want to project to the world?
- If the answer to any of these questions is no, don't buy the item, no matter how inexpensive it is or how high the quality. If the item isn't your style, you won't wear it and it will become an expensive mistake.

Fit:
- Does the garment fit comfortably?
- Does it allow room for free movement?

Versatility:
- Can the garment be worn with many other things in your wardrobe or on many different occasions?

Information on points to watch for when buying clothing has been adapted from: *Succeeding On Your Own* by J. L. Rieken and G. House. Copyright 1986 by Harcourt Brace Jovanovich, Inc. Reprinted by permission of the publisher.

ACTIVITY #1

BUILDING YOUR WARDROBE, REFLECTING YOUR STYLE

Objectives:

Students will be able to:

1. Recognize the advantages and disadvantages of various approaches to the purchase of clothing.
2. Indicate the circumstances in which a particular approach to the purchase of clothing is appropriate.
3. Identify their own personal approach to the purchase of clothing.

Time:

One class period.

Procedure:

Write the titles of the four approaches to buying clothes on the board. Discuss them with students (see "Clothing: For the Teacher"):

Divide the class into small groups. Ask the groups to identify the advantages and disadvantages of each approach to shopping and to write a brief paragraph describing when each approach might be appropriate. The advantages and disadvantages can be shown in chart form. With the whole class, compare and discuss the lists.

Then ask students to work individually to describe their last four or five clothing purchases, to identify the approach that they used for each of these purchases, and to indicate whether they are satisfied with the purchase. This might also be shown in chart form.

Evaluation:

Students who have met Objective #1 will discuss factors such as cost, shopping convenience and whether or not the shopper owns other items that go with the item purchased. Students who have met Objective #2 will state circumstances under which each approach is appropriate, for example:

- The planned wardrobe approach is key to economical, sensible ongoing purchasing.
- The impulse approach is appropriate for a low-cost, sale item that is so wonderful and unusual that you know it will be gone if you don't buy it right away.
- The total outfit is appropriate when you need an outfit for a special occasion such as a party or graduation, or when you're buying a lot of clothes at one time as at the beginning of school.
- The "creating your own" style is appropriate for high school students who want to reflect their individuality and style without spending a lot of money.

Objective #3 should be assessed through student self-evaluation. Students should look at their list of the last four or five clothing items they purchased and consider it critically.

Additional Activities:

1. Have students go through their entire wardrobe and write down the purchase price of each item of clothing they own. If they can't remember, they can estimate the cost. Then have students add these figures. The total will be the amount of money that they or their parents have spent on their wardrobe.

ACTIVITY #2

CLOTHING - CHOOSING CAREFULLY

Objectives:

Students will be able to:

1. Evaluate a particular item of clothing in terms of five specific selection criteria.

Time:

One-half class period.

Procedure:

Write five headings on the board: **quality, price, style, fit** and **versatility.** Tell students that these are important to consider when buying any garment. Have the class as a whole brainstorm to identify subpoints under each heading.

Then ask the students to work individually to identify the item in their wardrobe which has been most useful and enjoyable, and the item they like the least. Have students write a point-form description of each garment. They should use the headings on the board to organize the information in their descriptions.

Evaluation:

Examine students' descriptions of the two items of clothing. It is probable that the item which is most useful and enjoyable will be satisfactory in all of the five categories identified, while the item which is the biggest mistake will be unsatisfactory in at least one area.

Additional Activities:

- Have students evaluate the clothing they are wearing that day according to the five criteria identified.
- Bring in a dozen or so items of clothing and have students evaluate them. At the conclusion of the activity have students compare evaluations. Emphasize that evaluations differ because students' sense of style, budgets and priorities differ.

ACTIVITY #3

READING THE LABELS BEFORE YOU BUY

Objectives:

Students will be able to:

1. Read a fabric identification and care label on a garment and correctly describe:
   - the characteristics of the fabric that the garment is made from;
   - how the garment should be cleaned and cared for;
   - what the fabric will feel like to the wearer.

Teacher Preparation:

Duplicate class sets of the handouts "Clothing Care Symbols" and "A Guide to Fibres in Clothing". Have each student bring a garment from home that has the fabric identification and care label attached. This label is usually sewn into the garment at the neckline or in an interior seam. Usually both the name of the fabric that the garment is made from and two or three care symbols appear on the tag.

Time:

One class period.

Procedure:

Distribute the handouts "Clothing Care Symbols", and "A Guide to Fibres in Clothing". Review them with students. Then have each student examine the fabric identification and care label on the garment brought from home. Students should use the information on the tag and in the handouts to write a short paragraph describing:
- the characteristics of the fabric that their garment is made from;
- how the garment should be cleaned and cared for;
- what the fabric will feel like to the wearer. Will it be warm or cool, absorbent or non-absorbent, etc.?

Have students exchange garments and repeat the process at least once.

Conclude the activity with a discussion in which the following points are brought out:
- Garments that require dry cleaning are more costly in the long run than those that can be washed at home.
- Reading the labels before you buy a garment can tell you how expensive care of the garment will be and prevent you from ruining a garment by cleaning it incorrectly.
- Reading the label can give you information about how comfortable the garment will be to wear and whether it is more appropriate for winter or summer wear.

Evaluation:

Examine students' paragraphs to see if the fabric identification and care labels have been correctly identified.

Additional Activities:

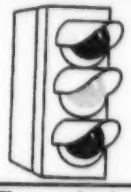
1. Describe a garment to students emphasizing its fabric content and the way that it should be cared for. Have students draw a fabric identification and care label for the garment.
2. Tour a dry cleaners or commercial laundry to learn more about cleaning methods.

STUDENT HANDOUT:

CLOTHING CARE SYMBOLS

To accompany Activity #3, "Reading the Labels Before You Buy"

Consumer and Corporate Affairs Canada has introduced care symbols for textile articles – symbols designed to guide you in selecting the most appropriate care procedure .If the care procedures indicated by the symbols are followed, the article should not shrink, stretch, or change colour beyond acceptable limits.

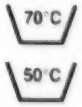


A red symbol means STOP! Don't do it!

An amber symbol means Caution! Use extra care! Follow special instructions

A green symbol means GO! O.K. Do it!

The washtub symbols tell you how, or how not, to wash the garment: the variations are as follows:



Machine wash in hot water (not exceeding 70° C) at a normal setting

Machine wash in warm water (not exceeding 50°C) at a normal setting.

Machine wash in warm water (not exceeding 50°C) at a gentle setting (reduced agitation).

Machine wash in lukewarm water (not exceeding 40°C) at a gentle setting (reduced agitation).

Hand wash gently in lukewarm water (not exceeding 40°C).

Do not wash.

The triangle symbols tell you when, and when not, to use chlorine bleach. The "Cl" stands for chlorine bleach.

Use chlorine bleach with care. Follow package directions.

Do not use chlorine bleach.

The square symbols tell you how to dry items, as follows:

Tumble dry at medium to high temperature and remove article from machine as soon as it is dry. Avoid over-drying.

Tumble dry at low temperature and remove article from machine as soon as it is dry. Avoid over-drying.

Hang to dry after removing excess water.

"Drip" dry – hang soaking wet.

Dry on flat surface after extracting excess water

The circle symbols tell you what may, or may not be dry-cleaned.

Dry clean.

Dry clean, tumble dry.

Do not dry clean.

The iron symbols tell you what may, or may not, be ironed and at what temperature.

Iron at a high temperature (not exceeding 200°C). For example, this is recommended for cotton and linen.

Iron at a medium temperature (not exceeding 150°C). For example, this is recommended for nylon and polyester.

Iron at a low temperature (not exceeding 110°C). For example, this is recommended for acrylic.

Do not iron or press.

From: Leet, Don R., and Driggers, Joann. (1984). *Economic decisions for Canadian consumers*. Markham, Ont.: Wadsworth. Used with permission.

STUDENT HANDOUT:

A GUIDE TO FIBRES IN CLOTHING

To accompany Activity #3, "Reading the Labels Before You Buy"

Generic Name	Trademarks	Characteristics	Care
NATURAL FIBRES			
Cotton		Medium strong, durable, absorbent, easily dried, excellent washability. Wrinkles readily unless protected by finish; can be damaged by mildew.	Usually washable. Consult labels for special instructions. Iron damp on wrong side with hot iron. Cotton bleaches readily except some finishes and colourings.
Linen		Same as cotton except has superior strength especially when wet; very absorbent.	Same as for cotton.
Wool		Warm, resilient, medium strength, absorbent, dyes readily, flame resistant, dries slowly, mats in hot water with agitation.	Dryclean unless labelled or known to be washable. Launder sweaters in luke-warm water, little rubbing or wringing. Lay flat to dry and ease into shape. If sweaters labelled "machine washable", follow label instructions. Hang all garments carefully and "rest" between wearings.
Down (duck, goose, swan)		Excellent insulation properties, lightweight, resilient, takes moisture away from the body.	Dryclean or wash according to instructions. Consult labels for treatment when special finish present. If washable, launder with mild soap at a low temperature and gentle agitation. Articles should be turned inside out and dried throroughly at low heat as mildew will result if left damp. A tennis shoe spun in the dryer with the article will help to fluff the down.
Feather (landfowl, waterfowl, goose, duck, swan, chicken, turkey)		Lightweight, resilient, less compressible than down.	Same general care instructions as for down.
Silk		Fine, strong fibre with lustrous finish, drapes well, absorbent, resilient, dyes readily; damaged by chlorine bleaches, perspiration and sunlight.	Dryclean, unless labelled or known to be washable. Iron on wrong side or with press cloth, moderately hot iron. Frequent cleaning desirable.
MANUFACTURED FIBRES			
Rayon Viscose	Bemberg, Coloray, Durafil, Fibro, Enkrome, Vilof, Loftex, Evlan Avril, Fibroloft, Vincel, Sarille	Absorbent, dyes readily, moth-resistant; can be damaged by mildew; special finishes will give properties of crease resistance and water repellency. Yarns can be medium or high strength.	Dryclean fabrics unless labelled washable. When laundered, can be ironed as for cotton; iron damp on wrong side. Avoid chlorine bleaches.
Acetate	Celara Dicel	Low to moderate strength, resilient, good drape, little or no shrinkage, moth, mildew and mold resistant; requires special dying procedures; melts at high temperatures.	If washable, launder by hand, do not wring; iron damp on wrong side at low temperature. Avoid chlorine bleach.
Acrylic	Orlon, Courtelle, Zefran, Acrilan, Creslan	Strong, lightweight, low absorbency, takes brillian fast colours, can be made into bulky, fluffy fabrics, mildew and moth resistant. Excellent resistance to damage from sunlight. Yarn can be heat-set for stretch or texture.	Washable by hand or machine in soap or detergent. If automatic dryer used, temperature low. Deep pile fabrics or artificial fur fabrics should be cleaned by fur cleaning processes, unless labelled washable.
Nylon (Polyamide)	Antron, Cadon, Celon, Qiana, Cumuloft	Superior strength and abrasion resistance, low absorbency, resilient. Lightweight. Yarn can be heat-set for stretch or texture. Fabrics dry quickly.	Washable by hand or machine in soap or detergent. Drip dry when hand washing. If automatic dryer used, keep temperature low. Little or no ironing needed. Iron also at low temperature. Wash white items alone and turn knitted garments inside out when laundering.
Polyester	Trevira, Dactron, Kodel, Lirelle, Fortrel, Tergal, Tetoron	Second only to nylon for strength but not as stretchy. Dries faster than nylon. Resilient and versatile for blending with other fibres.	Washable by hand or machine in soap or detergent. Drip dry when hand washing. If automatic dryer used, keep temperature low. Little or no ironing needed. Iron also at low temperature. Wash white items alone and turn knitted garments iside out when laundering.
Spandex (elastene)	Lycra	Used with other fabrics to add stretchiness.	Wash in warm water by hand and drip dry. Can be dried by machine but only with low temperature. Avoid chlorine bleach.

Adapted from: Leet, Don R. and Driggers, Joann (1984). *Economic decisions for Canadian consumers*. Markham, Ont.: Wadsworth Pub. Used with permission.

ACTIVITY #4

DESIGNER DUDS

Objectives:

Students will be able to:

1. Compare a designer garment and a similar budget garment using the criteria of quality, price, style, fit and versatility.

Teacher Preparation:

Ensure that students have access to local clothing stores.

Time:

10 to 15 minutes for introduction. One hour out-of-class time for research. One-half class period for discussion of findings.

Procedure:

Explain to students that designer clothes are those that bear the name of a famous designer or a highly advertised label. For example, there are many different types of designer jeans. "Calvin Klein" and "Guess" are just a couple of the names that appear on jeans. Esprit sportswear is one type of designer sportswear. Have students list as many different designer products and labels as they can.

Remind students that when you are buying clothing, you should consider quality, price, style, fit and versatility. Review these concepts with students if necessary.

Then have students work in groups of two or three. Each group should pick a type of garment (blue jeans, jean jackets, t-shirts, running shoes, etc). If the class is large, two or three groups may select one product.

Have the students go to local clothing stores and compare a designer garment (from department stores or boutiques) and a budget garment (from Woolco, Sears, Zellers, Work Wearhouse, etc.) using the five criteria: quality, price, style, fit and versatility.

Prepare a large class chart using those five headings. Record the information gathered by students under those headings so that comparison is easy.

At the conclusion of the activity discuss students' findings. Did students find that budget garments are superior to designer items in some categories? If so, were they surprised by this finding?

Evaluation:

Student self-evaluation is most appropriate for this activity because assessing style, fit and versatility is largely a matter of personal opinion.

4. HOUSING

For the Teacher

One of the most important decisions that students nearing the end of their high school studies will make is where they will live after high school.

This decision is influenced by a number of factors including the student's work or further education plans, whether he or she will be living in the same community or moving away, by the range of housing options in the community where the student will be living, by personal preference and by the cost of each alternative.

For example, in a large urban centre the student may have access to a great many different types of housing but may continue to live at home either because it is less expensive or because the student enjoys family life. In a rural community there may be a limited number of options available and the student who is intending to farm with his/her family may have to choose between living at home or driving a long distance to a rented apartment in town.

High school students are often unaware of all the costs associated with living independently. An activity in which they calculate the costs of various types of housing often produces surprised expressions and a reassessment of future plans.

Most young adults find themselves living with roommates at one point or another. Sharing a place with others is easier if the roommates work out potential problems beforehand. They should discuss financial details and their expectations of each other. Are they sharing only to cut costs or also for friendship and companionship? Practical details should be discussed as well. Housework, standards of cleanliness, overnight guests, etc. can all cause disagreement.

ACTIVITY #1

DIFFERENT PEOPLE - DIFFERENT HOMES

Objectives:

Students will be able to:

1. Identify the advantages and disadvantages of various types of rental housing.
2. Identify questions to ask about location when renting housing.
3. Identify the type of rental housing that is most appropriate for a particular person.

Teacher Preparation:

Duplicate a class set of the handout "Different People - Different Homes".

Time:

One-half class period.

Procedure:

Explain to students that different types of rental housing have different features. These are suited to people with different needs. Distribute the handout "Different People - Different Homes". In this activity, students are asked to identify the advantages and disadvantages of different types of rental housing, identify questions about location that should be asked when selecting rental housing and identify the type of rental housing that is most appropriate for people in particular circumstances. The handout guides them through each of these tasks. Divide students into groups of three and provide individual assistance as needed.

Evaluation:

Each of the three sections on the handout correlates with an objective. There are no definite right or wrong answers to this activity. Its purpose is to help students identify the advantages and disadvantages of different types of rental housing and to assist them to recognize that different people have different housing needs.

Additional Activities:

1. Have students interview people in their community to find out why they rented the housing they did.

STUDENT HANDOUT:

DIFFERENT PEOPLE - DIFFERENT HOMES

To accompany Activity #1, "Different People - Different Homes"

Do this activity in groups of three to five people.

1. Several types of rental housing are listed below. In your group, identify the advantages and disadvantages of each one. The first one is done for you as an example.

Type of Housing	Advantages	Disadvantages
House	- privacy - more space - yard and garden space	- may be expensive - have to maintain the yard
Duplex		
High-Rise Apartment		
Low-Rise Apartment (No Elevator)		
Single Room		
Town House		
Room and Board		
University or Technical School Residency		
House Trailer		

2. The location of rental housing is also important. A few questions about location are listed below. In your groups identify as many other questions about location as you can.
   - Is it close to a bus stop?
   - Is it safe to walk in this part of town at night?
   - Is it close to an elementary school?

3. People need different types of rental housing depending upon their personal circumstances. In your groups, decide upon the type of housing that would be best for each of the following people.
   - Bev is a single mom with one small child and is attending university. She has a low income and no car.
   - Gerald has moved to the city and is working at his first job. He's presently staying with his aunt and uncle but wants to rent a place with two friends.
   - Larry is planning to go to technical school. He wants to live alone because privacy and independence are important to him.
   - Bob and Harriet are a married couple with two children in elementary school. Both are working and they have a comfortable income. They don't want to buy a house because Harriet thinks that she will be transferred to another city soon. Both Bob and Harriet dislike yard work.
   - Louise and Marian are two elderly sisters. Since both are widows, they've decided to live together. In the winter they sometimes travel to warm vacation spots.
   - Marj is planning to farm with her parents, but she doesn't want to live with them. She wants a place of her own. The farm is six miles from the nearest community.

ACTIVITY #2

HOUSING - HOW MUCH DOES IT COST?

Objectives:

Students will be able to:

1. Estimate the housing cost of living independently for one year.

Teacher Preparation:

Ensure that students have access to community resources and the newspaper classified section.

Time:

15 to 20 minutes for introduction. Two or three hours of out-of-class time for research.

Procedure:

Have students identify the circumstances under which they probably will be living when they finish high school. Some might live in a university or technical school residence, others might share a rental apartment or house with room-mates, some might live in a furnished room and a few might share accommodation with their child and/or spouse.

Have each student determine how much the housing arrangement they have chosen will cost for a year by checking rental costs in the newspaper or writing/calling the education residence.

Students who plan to rent a house or apartment should consider the cost of the damage deposit, utilities and telephone hook-up, and furniture as well as the actual cost of rent.

Students who plan to live at home or with other relatives should calculate the cost of their room and board and should be sure to find out if this cost includes items such as utilities and telephone.

Each student should prepare an itemized housing budget for a year. (Students should identify their sources of information.)

Students can gather information by looking at rental and real estate ads, by phoning utility companies and by asking people who are knowledgable about such topics.

If desired, students can discuss their housing budgets in small groups.

Evaluation:

Examine students' budgets. Are price estimates realistic? Have all relevant costs been included in the calculations?

Additional Activities:

1. Explain to students that many of them will move into a rented house or apartment when they leave home. Even furnished accommodation doesn't come equipped with household necessities such as cleaning supplies, basic cooking supplies such as sugar and flour or dishes, cooking equipment, towels, etc. Have students work in groups to identify all of the things they will need to set up house. If desired, students can visit local stores to find out how much their list of necessities will cost if purchased new, or identify low-cost ways of obtaining these items.

ACTIVITY #3

CHOOSING A PLACE TO RENT

Objectives:

Students will be able to:

1. Accurately read the classified advertisements for rental housing, interpreting all abbreviations used.
2. Interview one person living in rental accommodation and one living in a room and board situation and record the information provided on a checkchart.
3 Describe the type of rental housing most appropriate for them personally and give reasons for their choice.

Teacher Preparation:

Duplicate copies of the handouts "Renting an Apartment Checkchart", "Board and Room Checkchart" and "Classified Shorts". Ensure that a supply of recent classified newspaper ads are available.

Time:

30 to 40 minutes of class time, 15 - 30 minutes out-of-class time.

Procedure:

Explain to students that in their first year or two of independent living they will probably either rent a house or apartment (alone or with others) or live in a room and board situation. (A university or technical school residence is one type of room and board situation.)

Part I

Explain to students that the first step in finding a place to rent is usually checking the classified ads in the newspaper. To save space and cost, newspapers often use abbreviations when describing rental housing. Some of these abbreviations appear on the handout "Classified Shorts". Have students work in groups of two or three. Each group should have a classified ads section from a local newspaper. Tell students to look at the ads for rental housing and to interpret three or four of them using the handout. They should write the ad out in full.

Part II

Then tell students regardless of whether they are renting a house or apartment or living in room and board accommodation, they will probably have to choose from among several alternatives available for rent. This activity will give them practice in evaluating the alternatives.

Distribute the handouts "Renting an Apartment" and "Board and Room Checkchart".

Explain to students that when they are actually looking for a place to rent, these checkcharts can be used to compare the various places they see. Review the two checkcharts with students providing explanations as required.

Have students work alone or in groups of two or three. Have each individual or group interview someone who is staying in a room and board situation and someone who is renting an apartment. Have students fill in one column of the appropriate handout after each interview.

Back in the classroom, make big versions of each checkchart on the board or on flip-chart paper. Have each individual or group report their findings to the rest of the class and fill in one column of each masterchart.

At the conclusion of the activity point out to students that many different arrangements are possible with rental housing and that the one they choose will depend upon their personal preferences.

Finally, have students write a short paragraph describing the type of rental housing which would be best for them personally, given their personal priorities and values and giving reasons for their choice.

Evaluation:

Assess whether Objective #1 has been met by listening to the groups of students as they read and interpret newspaper ads for rental housing. Do they understand all abbreviations? If a more formal evaluation is desired, simply have students write one or two ads out in full, spelling out all abbreviations.

Assess whether Objective #2 has been achieved by listening to students as they report the results of their interviews. Were the interviews thorough enough to gather all the information needed to complete a column of each checkchart.

Determine whether Objective #3 has been met by reexamining students' paragraphs. There are no right or wrong answers, but the reasons that students give should be consistent with the choices they have made.

Additional Activities:

1. Have students make up a classified ad of their own for rental housing using the abbreviations on the handout "Classified Shorts". The ads can be realistic or fanciful. A fanciful ad might describe a space colony or an English castle that is available for rent.
2. In a very small rural or northern community, this activity may not be possible because there is little rental housing available and because that which is available is usually advertised through word of mouth rather than through newspaper ads. In such a community, have students survey the community and make a list of all the rental housing available (including room and board).

STUDENT HANDOUT:

"RENTING AN APARTMENT" CHECKCHART

To accompany Activity #3, "Choosing a Place to Rent"

	Size	Location	Furnished or Unfurnished	Rent	Key Deposit	When Available	Appliances Included	Who Pays Utilities	Security Deposit	Lease Yes/No How Long	Other
House or Apt. #1											
House or Apt. #2											
House or Apt. #3											
House or Apt. #4											

Notes:

STUDENT HANDOUT:

"BOARD AND ROOM" CHECKCHART

To accompany Activity #3, "Choosing a Place to Rent"

	Size	Location	Rent	When Available	Are Meals Included	Private or Shared Room	Private or Shared Bath	Household Rules	Household Duties	Other	
Apt. #1											
Apt. #2											
Apt. #3											
Apt. #4											

Notes:

STUDENT HANDOUT:

CLASSIFIED "SHORTS"

To accompany Activity #3, "Choosing a Place to Rent"

Adults	adlt.	Possession	Poss.
After	aft.	Reference	ref.
Appliances	appl.	Required	req.
Avalailable	avail.	Separate	sep.
Bachelor	bach.	Single	sing.
Balcony	balc.	Side by Side Duplex	SxS Dup.
Basement	bsmt.	Small	sm
Bedroom	B.R. or bdrm.	Spacious	spac.
Close	cl.	Stove	stv.
Convenient	conv.	Sublet	sub.
Downtown	dntn.	Suite	ste.
Drapes	drps.	Unfurnished	unfurn.
Elevator	elev.	Utilities	util.
Floor	fl. or flr.	Wall to Wall Carpet	w/w carp. or w/w cpt.
Furnished	furn.	Week	wk.
Garage	gar.		
Immediate	imm. or immed.		
Includes	incl.		
Inquire	inq.		
Kitchen	kit. or kitch.		
Large	lg.		
Living Room	L.R. or liv.rm.		
Manager	mgr.		
Modern	mod.		
Month	mo.		
Near	nr.		
Newly Decorated	new dec.		
Parking	pkg. or prkg.		

ACTIVITY #4

GETTING ALONG WITH YOUR ROOMMATE

Objectives:

Students will be able to:

1. Develop an agreement with potential roommates concerning the rules and expectations for their household.
2. Use assertiveness, problem-solving and conflict resolution techniques to deal with simulated problems which might arise between roommates.

Teacher Preparation:

Duplicate class sets of the handouts "Roommates Problems" and "Getting Along".

Time:

One class period.

Procedure:

Point out to students that many young adults live with roommates either when they first begin full-time work or when they are going to university or technical school. This activity is designed to illustrate some of the factors which should be considered when sharing a place and to give students practice in dealing with problems which might arise.

Divide students into groups of three. Although roommates can be brothers and sisters as well as friends, for purposes of this activity students should pretend that they are three friends from high school who are planning to rent a place together. One is going to technical school and two are working.

Distribute the handout, "Roommates". This handout provides some guidelines for potential roommates to follow. After reading the handout, ask students to: role play the discussion that the three roommates have when they are discussing their living arrangement. They should cover all of the points on the handout. At the conclusion of the discussion, students should prepare a written agreement or understanding which all three sign.

Have the students role-play their attempts to resolve the problem situations. During this role-play they should remember the lessons about assertiveness and problem-solving from the previous unit.

Evaluation:

Assess whether Objective #1 has been achieved by examining the written agreements developed in the first role play in which students come to an understanding about the terms under which they will share the apartment.

Assess whether Objective #2 has been achieved by observing the second role-play in which students attempt to resolve simulated problems. Do students use "I" language and assertive statements in discussing the problem? Do they use the six-step decision-making/problem-solving model?

STUDENT HANDOUT:

GETTING ALONG

To accompany Activity #2, "Getting Along With Your Roommate"

When you are thinking of sharing a house or apartment with a roommate consider these points:

- Discuss living habits such as hours for listening to music or watching TV, responsibilities for washing dishes, making beds, etc.
- Discuss independence versus companionship. Some people want a roommate only to cut costs and wish to live independently of the roommate. Others want a roommate for friendship and companionship.
- Determine the means of dividing the rent, utility bills, food costs, and furniture expenses. Decide in advance who will contribute furniture and what has to be bought. Put your agreement in writing.
- Agree in advance and in writing about how the security deposit will be paid.
- Agree in advance about how many and how often guests may stay overnight.
- Agree in advance about how moving out will be determined. Each roommate should agree on giving appropriate notice and agree on the means of settling the cost of any damage done to the house or apartment.
- Look for the apartment together. In this way, the roommates can mutually determine if the rental is in a convenient location, has sufficient space, and is a satisfactory choice.

Source: Adapted from Green, Hayden. *Consumers in the Economy*. South-Western Publishing, 1988. Used with permission.

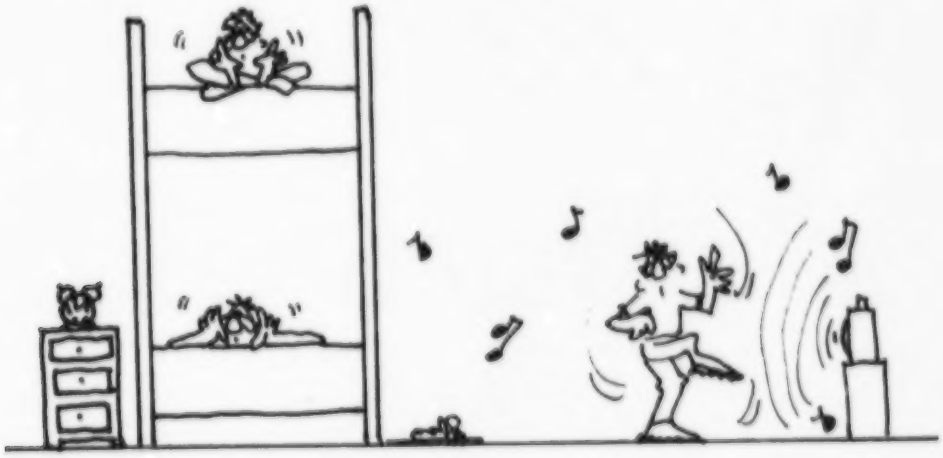
STUDENT HANDOUT:

ROOMMATE PROBLEMS

To accompany Activity #2, "Getting Along With Your Roommate".

Work in groups of three and pretend that you are three roommates sharing an apartment. Role-play how you would try to resolve the problem situations below.

- Mike went home for the weekend, while he was gone his roommates, Don and David had a big party! At this party, someone broke Mike's brand new C.D. player! When Mike got back to town, he found out about his C.D. player. David and Don didn't offer any explanation or any money for the damages.
- Ross, Dwayne and Warren, each buy their own separate groceries. Ross and Dwayne are beginning to notice that their food is slowly disappearing. Obviously Warren is eating their food. Ross and Dwayne confronted Warren about this problem but it didn't help, Warren kept on eating their food!
- Kevin doesn't have a class until 10:30 a.m. so he stays up until two in the morning listening to music and watching T.V.. The other 2 roommates, Brent and Scott, have to be at work at 8 a.m. and like to go to sleep by 11 p.m. at the latest!
- Joanne is a very NEAT person. Her roommates, Teresa and Kim are a little on the messy side, they never clean up after themselves. This is really beginning to annoy Joanne!
- Leanne's boyfriend seems to be at the apartment almost every night. He eats most of his meals there (but doesn't put in extra money for food) and always seems to be showering when someone else wants to use the bathroom.
- Make up your own roommate problem.



5. FURNITURE, APPLIANCES AND ELECTRONIC EQUIPMENT

For the Teacher

All major purchases have some things in common:
- they are expected to last several years
- they ultimately do wear out
- they depreciate or lose value once you purchase them. For example, a new television which has not left the store will be more expensive than the same model purchased three months ago
- because major purchases are expensive items, they must be maintained or repaired. A computer that is not working properly is of little use to the owner
- repairs are often costly, particularly when you have to pay someone to do the repair work.

Major purchases such as winter coats, furniture and even household appliances are susceptible to **fashion trends.** As a result, they become outdated even though they can still serve their original purpose. New models of computers, stereos and other electronic equipment appear every year. Because of their expense, many large items are often bought on credit. This increases their final cost.

Young people leaving home are faced with a staggering number of needs and wants in equipment and furnishings to set up their own household. Often, after living in the material comfort of their family home, their expectations are high regarding what their new household should contain. They may be unaware of the number of years and overall cost their parents have experienced to provide the family with the lifestyle the young adult is leaving. Wanting to duplicate or approximate many of these comforts and conveniences, young people may be unaware of the financial implications and run into credit problems.

ACTIVITY #1

THE COST OF SETTING UP A HOUSEHOLD

Objectives:

Students will be able to:

1. Identify the basic items that are needed to equip a household.
2. Calculate the cost of equipping a household with new items.
3. Identify ways that the cost of equipping a household can be reduced.

Teacher Preparation:

Ensure that students have access to catalogues and to newspapers containing ads for household appliances.

Time:

One class period for introduction. 30 to 60 minutes out-of-class time for research (optional).

Procedure:

Explain to students that when they begin living independently one of their biggest expenses will be setting up a household. Divide students into groups of three or four.

Tell the groups to imagine that they are renting a house (alone or with friends). The house is completely unfurnished. It has no appliances or furniture. Ask each group to complete the following tasks:

- Identify the basic items they need to equip a household - furniture, appliances, cookware, dishes, linens, etc.
- Use catalogues, newspaper ads and visits to local stores to calculate how much it would cost to purchase new items to equip a household.
- Identify some ways that the cost of equipping a household might be reduced. Students might ask:
- What can I do without?
- What can I buy second-hand (from a garage sale or second-hand store)?
- What can I borrow from my parents or other relatives?
- What can I make myself?

Finally, working with the class as a whole, ask students how much money a person in their first job or someone going to university is likely to have. Will they be able to buy new items to set up their household? Will they have to scale down their expectations?

Evaluation:

Each of the three tasks that students are to complete in this activity correlates with an objective. Determine whether the objectives have been achieved by considering the outcome of each of the three tasks.

ACTIVITY #2

MAKING DECISIONS ABOUT FURNITURE, APPLIANCES AND ELECTRONICS

Objectives:

Students will be able to:

1. Use the planned decision-making process to make a decision about a major purchase.

Teacher Preparation:

Ensure that students have access to community resources. Using the master provided, make the Transparency, "Decision Making".

Time:

One-half class period for introduction. Two or three hours of out-of-class time for research.

Procedure:

Give students some examples of major purchases - furniture, appliances, stereos and other electronic equipment, cars, expensive clothing items such as leather jackets. Explain that because these items are costly and because we use them a long time once they are purchased, it is worth putting some time and effort into being sure that we select the item that is right for our needs. We should use the planned decision-making process when buying such major items.

Have each student select an item that interests him or her and costs at least $500. The student should follow the steps in the planned decision-making process in order to determine whether the item should be purchased, and if so, what make and model should be purchased from which supplier.

Explain the decision-making process using the Transparency, "Decision Making". The process to be followed is similar to that outlined below:

Identify the Problem or Need

Students should examine the reasons why they want to make a particular purchase. If they are thinking of buying a bicycle, is it primarily for physical exercise or for transportation? Perhaps there is another way these needs can be met and there is no need for the bicycle. If a bike proves to be (for example) the cheapest, quickest way to get to school, this use will influence the type of bicycle purchased.

Collect Information

The next step is to collect information about the item to be purchased. Students might visit a number of stores and look at different models of the item. They might also consider the possibility of purchasing the item second-hand either through an ad in the paper or from a store that sells second-hand merchandise. They might review **Consumer Reports** and similar magazines and ask friends and relatives about their experiences with various makes and models of this product. Finally, they might visit a bank to determine how much a loan to buy the item will cost.

At this stage, students should be considering the following points in regard to the item:

- price
- intended use
- accessories
- performance
- length of the product's life
- amount of care needed
- quality of construction
- cost of credit
- safety
- warranty
- repair services offered by the seller
- maker's reputation

Identify Alternate Solutions

Next, students should identify two or more possible solutions. For example, source A sells a low-cost version of the item available, but offers few accessories and only a one-year warranty. The item is available second-hand through source B, the price is very low but there is no warranty and no repair services are available from this supplier. Source C offers a good warranty, has a repair service for the item and offers a huge range of accessories. However, the item also costs more from source C than from any of the other suppliers.

Identify the Consequences of Alternative Solutions
At this point, students should consider the pros and cons of each solution. Perhaps cost is the most important concern and they are willing to risk buying the item from a second-hand source. Or perhaps it isn't important that the supplier provide repair services if these services can be obtained from many other sources. A wide range of accessories may not be important for this particular item.

Take Action - Choose a Solution
After carefully considering the alternatives, students should select the item which is best suited to their needs. Emphasize that different students will choose to make different purchases because their needs vary and because they have different views of what is important.

Because this activity is a hypothetical exercise, it won't be possible to follow through with step 6 of the rational decision-making process - Evaluate the Solution.

Evaluation:

Examine the first four steps of the process. Have students collect appropriate information about the item to be purchased and consider the consequences of selecting each alternative model or using various sources of supply. Step 5 of the process - "take action - choose a solution" - should be evaluated through student self-evaluation as students' answers should reflect their individual needs and values.

Additional Activities:

In small communities, it is usually possible to do only a limited amount of comparison shopping, thus students will need to take a different approach at the "Collect Information" stage of the decision-making process. They should survey the stores in their community and then examine catalogues (Sears, Consumer's Distributing, etc.), flyers and newspaper ads. Emphasize to students that when you don't actually see the products you are considering buying, it is doubly important to get all the information you can from consumer publications and from people who have actually used the item you are thinking about purchasing.

TRANSPARENCY
DECISION-MAKING

To accompany Activity #2, "Making Decisions About Furniture, Appliances and Electronics"

DECISION-MAKING

1. Identify the Need
2. Collect Information
3. Identify Alternate Solutions
4. Identify Consequences of Alternate Solutions
5. Take Action - Choose a Solution
6. Evaluate the Solution

6. TRANSPORTATION

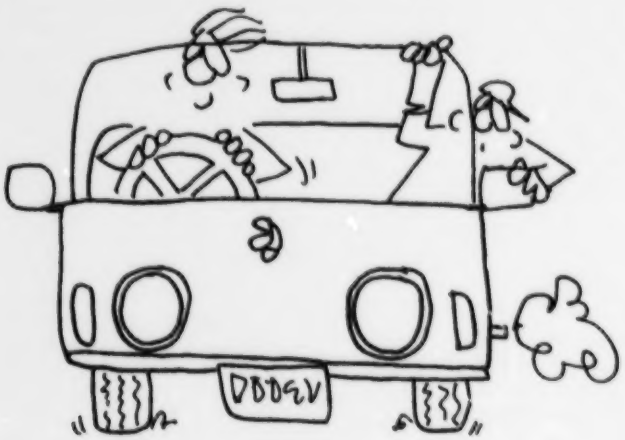
For the Teacher

Many young people dream of owning their own car. Advertising, television and movies all present the car as a symbol of glamour, independence and maturity.

Students often don't stop to consider the practical aspects of car ownership. Points to consider include:

- **Do I really need a car or can I use other means of transportation?**
- **Do I need a car for transportation or do I want it because of the image associated with car ownership?**
- **How much will owning a car cost when I include the cost of repairs, licences, insurance, gas, etc.? Can I afford it? Do I want to spend so much money on this item?**

Because a car is such a costly item, it is important that those students who decide to purchase one, choose wisely. Knowing what to watch for when purchasing a used car will help students get the best deal for their money.



ACTIVITY #1

THE COST OF TRANSPORTATION

Objectives:

Students will be able to:

1. Identify the yearly cost of various types of transportation.
2. Determine whether it is economically feasible for them to own and operate a car.

Teacher Preparation:

Ensure that students have access to current newspapers containing advertisements for cars and car repairs.

Time:

One class period.

Procedure:

As a class, have students list all the possible methods that people can use for everyday transportation. These include: walking, bicycle, bus, taxi, motorcycle, subway, car borrowed from parents, car owned personally. Next have them identify the types of transportation from this list which are possibilities in their community. For example, in a large city students may be able to choose from all of the types of transportation listed above. In a rural community where most students live on farms, cars, motorcycles or horses may be the only practical types of transportation.

Have students work in groups of three or four to identify the cost for a year of each of the types of transportation which are practical in their community. Students may need to look at newspaper ads for cars, motorcycles, auto parts, tune-ups etc., in order to complete this part of the activity.

Before beginning this task, students will need to make some assumptions about the various transportation methods. (This can be done either in small groups or by the class as a whole.) Assumptions might include:

- the number of bus trips (or taxi trips) that a typical student will take in a year;
- the cost of a car or motorcycle (it will be necessary to identify the down payment and monthly payments in order to calculate a yearly cost);
- the number of kilometres that a typical student would drive in a year;
- the cost of repairs for a year for a car or motorcycle.

Remind students that when they are calculating the cost of owning a car or motorcycle, they must include all costs - down payment, monthly payments, insurance, gas, oil, repairs, new tires, license, etc.

At the conclusion of the activity have students make a chart showing the cost of each type of transportation for a year. (This can be done as a class or in small groups.)

Review the chart with students. Put particular emphasis on the cost of owning a car. Were students surprised at how expensive cars are to own and operate?

Finally, ask students to work individually. Have each student write down his or her average income per month (from all sources including allowances, wages, gifts, etc.) and multiply by 12 to calculate the yearly income. Ask each student to write a couple of sentences stating whether it is feasible for her or him to own a car with the money she or he presently has. Why or why not? If s/he owns a car, how much money will be left for things like clothing, savings and entertainment.

Evaluation:

Students' charts of transportation costs will vary depending upon the assumptions they make at the beginning of the activity. Objective #1 will have been achieved if students have identified all of the costs associated with each type of transportation and assigned a realistic value to each. Student self-evaluation is most appropriate for Objective #2 because it relates to students' personal values.

Additional Activities:

1. After students have calculated the cost of each method of transportation, remind them that cost is not the only factor to consider when selecting transportation. Other questions which might be asked include:
   - does this type of transportation promote physical fitness?
   - does it pollute the air?
   - does it use up scarce fossil fuels?
   - is it convenient?
   - does it give me status with my friends?

ACTIVITY #1

BUYING A USED CAR

Objectives:

Students will be able to:

1. Evaluate the condition of a used car using criteria provided to them.
2. Assign an appropriate price to a used car.

Teacher Preparation:

Ensure that students have access to community resources. Duplicate a class set of the handout "Buying a Car For Less".

Time:

10 to 15 minutes for introduction. One to two hours of out-of-class time for research. One-half class period for follow-up.

Procedure:

With the whole class, identify and list on the board sources from which used cars may be obtained. These include: new and used car dealers, used car lots, private sales (usually advertised in the newspaper), and car rental companies.

Distribute the handout "Buying a Car For Less". Divide students into groups of two or three. Have each group use the information in the handout to evaluate a used car. The car evaluated might be one which is actually available for sale or it might be a car belonging to one of the students' parents. Good and bad points of the car should be identified and written down.

While still in groups, have students use newspaper and TV ads for used cars to assign an appropriate selling price to the car they investigated. Students should be aware that the same make and model of vehicle will sell for different prices depending upon its condition. Have students write a few sentences explaining why they priced the used car the way they did.

Evaluation:

Assess Objective #1 by looking at students' lists of good and bad points of the used cars they examined. Assess Objective #2 by examining students' paragraphs in which they explain their reasons for assigning a particular price to a used car.

Additional Activities:

1. Have an auto mechanic speak to the class on the topic of used cars. Then instead of distributing the handout which accompanies this activity, have students prepare a checklist to use when examining used cars.
2. Used cars may be purchased from a number of sources including new car dealers, used car lots, private sales, and car rental companies. Have students compile a list of advantages and disadvantages of buying from each of these sources. They should consider points such as price, warranty and condition of cars.

STUDENT HANDOUT:

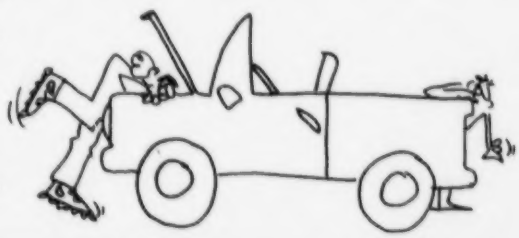
BUYING A CAR FOR LESS

To accompany Activity #2, "Buying a Used Car"

For many young Canadians, one of their first major purchases will be a car. The following are some general tips related to this major purchase:

1. **Explore various possible sources for a car.**
   - new and used car dealers
   - private sales
   - car rental companies
   - taxis and police vehicles

   Be aware though that used cars that served as taxis or police vehicles may have received pretty hard use.
2. **Do your homework.** Look around. Read up. There are laws to protect you. Get to know them. Check prices on the lots and in the papers. Know what type of car you want before you go out to buy it. Know what its approximate value should be.
3. **Never buy a used car without having it inspected by a mechanic.**
4. **If you buy a used car, check:**
   - for rust on the surface and under the car.
   - the compression in the engine - a mechanic will do this for you and tell you how good the engine is.
   - whether the car has been painted.
   - whether it has been in an accident.
   - if there is much movement from side to side in the front wheels indicating problems with the front end of the car.
   - if the tires are worn unevenly indicating a problem with the alignment.
   - if the car continues to bounce for a while when you push down on it, indicating a problem with the shocks/springs.
   - whether there is much play in the steering wheel.
   - how good the brakes are during a test drive.
   - the smoke from the exhaust - is it white which is normal, or is it black or blue indicating problems.
   - for leaks under the car. Let it sit in one spot for a while, then move it and check.
   - the acceleration of the car and the shifting of gears.
   - how the car corners during a test drive.
   - whether the exhaust system is rusted.
   - for wear in the interior.
5. **Set a limit on the amount that you are going to spend** for a car and stick to it.
6. If you buy a used car, **make sure that there are no liens** against it - that is, someone might have taken a loan and used the car as collateral. If they did, and the lien still exists, then the car can be taken from you and sold to pay off the debt.
7. **Bargain. Negotiate.** Do this even if you are buying a new car - dealers will bargain.
8. **Buy in the winter** if you can. When fewer cars are bought, demand is lower and you may be able to strike a better deal.
9. **Keep up regular maintenance** of the car - it more than pays for itself in the long run by helping to prevent major repairs.
10. **Check the history** of a used car. Contact past owners if you can by tracing the history of the car through provincial records.
11. **Beware of out-of-province cars** which may have been brought in from areas where inspection regulations are less strict.



Source: *Money and youth*, Canadian Foundation for Economic Education, 252 Bloor Street West, Suite 7 - 205, Toronto, ON M5S 1V4. Used with permission.

ACTIVITY #3

CLOSING THE DEAL

Objectives:

Students will be able to:

1. Identify all of the steps in purchasing a used car.

Teacher Preparation:

Duplicate a class set of the handout "Closing the Deal".

Time:

One class period.

Procedure:

Tell students that once they've picked out a car to buy, there are several more steps which they must undertake before the car is theirs. These steps are listed on the handout "Closing the Deal". Distribute the handout and review it briefly with students. Have students work individually or in pairs to draw a cartoon which shows the process of buying a used car. The cartoon should begin with an individual shopping around for a car, and end with that individual driving the car home.

Evaluation:

Examine students' cartoons. Does it illustrate the steps: comparison shopping for a car, checking for liens, completing an offer to purchase, making a deposit, comparison shopping for credit, getting a bill of sale, registering the car, and getting insurance?

Additional Activities:

1. Non-artists might write a short story or television script which illustrates the process of buying a car.
2. Have students investigate the process of checking for liens. Any car dealer should know the name and address of the government agency which registers liens. Students might obtain a set of forms that are completed by individuals who wish to check for liens.
3. Have students obtain and examine a sample "Offer to Purchase" and "Bill of Sale" forms from local new and used car dealers.
4. Have students interview car dealers and bank loan officers in order to get information about car loans. They should compare interest rates, length of loan repayment period, amount of down payment required, etc.
5. In this activity, students draw a cartoon to illustrate the process of purchasing a used car. They might also write a short story or television script, or present a dramatization to the rest of the class.

STUDENT HANDOUT:

CLOSING THE DEAL

To accompany Activity #3, "Closing the Deal"

You've found that perfect car. It's just what you want. What's more, it's in good shape and the price is right. There are a few more things to do before the car is yours.

Check for Liens

To avoid paying other peoples' debts, you should check for liens. When a car has a lien against it, a bank or finance company still partly owns the car. A former owner has not fully repaid the loan. If you buy a car with a lien, you will have to pay the money still owing. All liens are registered with a department of the provincial government. The exact name of the department and the procedure for checking varies from one province to another.

Complete an "Offer to Purchase"

Once you have decided to buy a car, you and the seller must agree on a price. You may need to make a written "Offer to Purchase". This is a legal contract, so be sure you really want the car before you sign it. If your offer is accepted the car is yours.

You can add conditions to your "Offer of Purchase" before signing it. For example:

- My mechanic must inspect and approve the car. If it is not approved I won't have to buy the car.
- I have to get financing from the bank. If I can't get financing I won't have to buy the car.

Write down the conditions of your offer. Both you and the seller should sign the offer. Keep a copy.

Make a Deposit

Do you need extra time to get a loan? Do you want your mechanic to approve the car before you buy it? A seller may hold a car for you, but you will have to give a deposit. The deposit shows the seller that you really want the car.

Arrange Financing

Many people borrow money to pay for a car. If you are planning to use credit to buy a car, look for a loan with a low interest rate. A car dealer may give you a loan quickly, but the interest rate may be high. The interest rate on car loans from banks, credit unions or trust companies is often lower. You can save a lot of money by shopping around for a lower interest rate.

When choosing a car loan, don't select on the basis of the monthly payment. Remember, the lower the monthly payment, the longer you pay and the more interest you pay.

Check the credit contract for all of the following information:
- a complete description of the car
- the cash selling price
- the amount of down payment or trade-in allowance
- the amount of all costs, charges and fees
- the credit charge expressed in dollars
- the credit charge expressed as an annual percentage rate
- the balance to be paid
- the amount of each payment, the number of payments, and the dates they are due
- the total extra charges, expressed as an annual percentage rate, that you will have to pay if you fail to make your payments.

Get a Bill of Sale
When you buy a car get a bill of sale. It is very important. It says that you own the car and includes:
- date of the sale
- your name and address
- the seller's name and address
- the make, model, year and serial number of the car
- the odometer reading of the car
- the price and how you are paying
- a description of any warranty
- a statement that there are no liens on the car.

Register the car in your name and get insurance
You must register the car with the appropriate provincial government department and get insurance before you drive it home. The exact procedure for doing these things varies from province to province.

Adapted from: *The English times* (Winter 1990), Saskatchewan Consumer and Commercial Affairs, and *Tips for used car buying*, Alberta Consumer and Corporate Affairs. Used with permission.

7. RECREATION AND LEISURE

For the Teacher

Recreation is the activity people are involved in during their spare time, as well as a state of mind, a way of spending time in an unrestricted and creative manner. We use our leisure time to satisfy individual needs and pursue individual interests.

Some needs and interests include: rest, relaxation, good health, learning, spiritual or cultural growth, socialization, and hobbies.

Recreational activities are generally divided into three categories:
- **Physical activities and sports; indoor or outdoor**
- **Social/cultural activities**
- **Tourism**

Recreation can be expensive or inexpensive depending on the resources available to a person. The percentage of total income spent on recreation will vary widely according to the cost of the activities selected, the person's total income, and the amount of time available for leisure activities.

There are definite positive and negative benefits to leisure activities depending on our choices. Positive benefits of participating in leisure activities can include:
- keeping in shape and physically fit
- meeting people
- acquiring new skills and knowledge
- being entertained
- keeping busy.

Negative benefits of participating in leisure activities can include:
- fatigue and/or injuries
- lowered school grades
- lack of spending money

People's choices of leisure activities can have positive and negative effects on their family and on the environment, as well as on themselves.

ACTIVITY #1

LEISURE ACTIVITIES IN MY COMMUNITY

Objectives:

Students will be able to:

1. Identify leisure activities in their community and the costs, equipment and contact person associated with each one.

Time:

One class period.

Procedure:

Have students work in groups of two or three. Ask each group to prepare a chart which identifies all of the leisure activities available for teenagers in their community. In addition to identifying the activity itself, they should identify costs, equipment required (and costs of equipment), and names of contact people when appropriate. Activities might include:

- sports - organized and individual
- youth groups, church groups, 4-H, etc.
- cultural and educational activities - library, art gallery, jazz society, drama club, etc.
- entertainment - night clubs, restaurants, dances, etc.
- other - local parks, beaches, annual exhibitions or festivals, community recreational centres

At the conclusion of the activity, post students' charts on the classroom or hallway wall so that students can share information.

Evaluation:

Examine students' charts. Do their charts provide a comprehensive listing of local leisure activities for teenagers?

Additional Activities:

Have students:

1. Collect pamphlets, brochures, etc. relating to community leisure activities. Display these on a table near the charts.
2. Instead of preparing simple charts as described here, have the class prepare a community leisure activities handbook. Assign a different activity to each student. The students will be responsible for researching the activity, writing a descriptive paragraph or two and obtaining a photograph or sketch which illustrates the activity.
3. Have students compile a list of free leisure activities in their community, that is, activities which don't require any special equipment (such as sporting equipment) or charge registration or admission fees. Some possibilities include the public library, museum or art gallery, a local park or beach, or a community recreation centre.

ACTIVITY #2

VACATION TIME: PLANNING A TRIP

Objectives:

Students will be able to:

1. Plan a holiday in the province within a specified spending limit.

Time:

One to two class periods.

Teacher Preparation:

Duplicate a class set of the handout "Vacation Time - Money Saving Tips".

Procedure:

Ask a student to invite a travel agent or a representative from the provincial Tourism Department to speak to the class about vacation spots in your province. The student should tell the speaker that s/he will be talking to a high school group with a limited amount of money to spend on a vacation, so economical holidays should be stressed.

After the speaker has left, divide the class into groups of two to four. Assign a spending limit to each group and tell the group that they are responsible for planning a holiday within that spending limit. Spending limits might be $100, $300, $600, or $1,000 per person. Distribute the handout "Vacation Time - Money Saving Tips" which will help students with their task. When planning their trips, students should consider:

- length of trip
- transportation
- accommodation
- meals
- fees
- insurance
- special clothing or equipment required (purchase or rental)
- tours
- shows
- other

When planning their trips, students might want to obtain pamphlets and brochures from the provincial Department/Ministry of Tourism or from vacation spots.

Students can present the information about their trips in any way that appeals to them. They can prepare an essay, a chart or a series of photographs with a budget attached.

If time permits, each group can make a presentation to the rest of the class in which they describe their vacation.

Evaluation:

Examine students' holiday plans. Do they stay within their spending limits? Do they include all potential expenses in their budgets?

Additional Activities:

1. Have students investigate the package holidays offered by local tourist agents. They should compare the holidays available in terms of method of transportation, destination, cost, quality of accommodation, extras included in the package, etc.

STUDENT HANDOUT:

VACATION TIME - MONEY SAVING TIPS

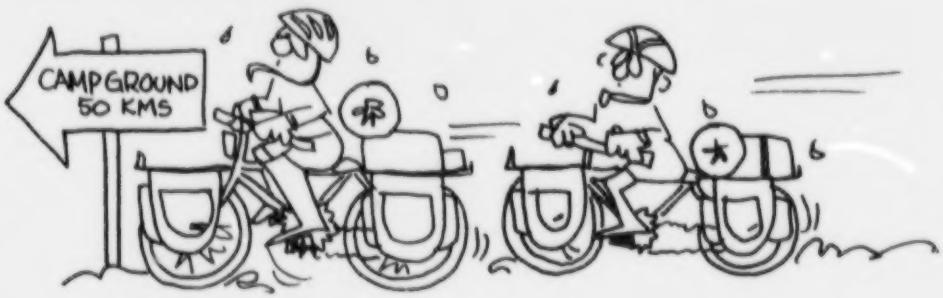
To accompany Activity #2, "Vacation Time: Planning a Trip"

Consider the following costs when planning a vacation. Even if it is just a long weekend, consider all your expenses before leaving on your get-away.

Accommodation
There are many alternatives to hotels and motels that are kinder to the budget and more interesting and fun too.

- **Bed and Breakfasts**
  Found in most cities and many rural areas. Rates are reasonable for a night's lodging plus home-cooked breakfast.
- **YMCA's and YWCA's**
  Located in all major cities. Reasonable room rates. Use of athletic facilities and swimming pools are included in the room rates. Some Y's allow couples, check ahead.
- **Hostel Facilities**
  Least expensive accommodation, discounts available if you belong to the Canadian Hostelling Association (CHA). The CHA is affiliated with hostel organizations in 70 different countries.
- **University Residence Rooms**
  During spring and summer can be very inexpensive. Rates vary according to the university.

Getting There
- If travelling by air, always look for seat sales and/or student discounts. Get a list of economy fares from the airline. Fly mid-week.
- When travelling by car; four or more people sharing a ride is low-cost travel. One or two travelling alone is luxury travel.
- Make sure your car is running well before you leave on holiday.
- Bus is the cheapest way to travel, especially on unlimited travel passes offered by some bus lines.
- Pack a lunch, a good way to save on meal costs.
- Ask about promotional fares to various cities, especially in the off season.



Recreational Activities
If you enjoy the outdoors and a little adventure in your holidays, choose an inexpensive package tour or go on your own to a location near home.
- fishing in one of Canada's many lakes
- canoeing on our lakes or rivers
- white-water rafting
- bicycle touring
- back-packing
- horseback trail rides
- houseboat charters
- nature tours
- vacation farms
- cross-country skiing.

Other Costs
Depending on the type of holiday you're taking:
- gasoline/repairs for your car
- tickets to special events and entrance fees to parks
- meals
- shopping
- medical insurance for out-of-country travel
- souvenirs

8. COMPARISON SHOPPING

For the Teacher

Individuals and families can make better use of their money and wiser consumer decisions if they **comparison shop.** Most consumer products are available from a variety of sources in a wide range of different makes and **models. Quality, special features** and **price** can vary tremendously.

Comparison shopping should include consideration of alternate markets such as second-hand stores and garage sales as well as retail shops which sell new products.

Knowing your individual priorities is the key to successful comparison shopping. The consumer needs to be able to weigh the relative importance of cost, quality, convenience, and dozens of other factors and make an individual decision.

ACTIVITY #1

CHOICE IN THE MARKETPLACE

Objectives:

Students will be able to:

1. Identify sources within their community from which a particular item might be obtained, makes and models available from each source, and the cost and features of each make or model.

Teacher Preparation:

Ensure that students have access to community resources.

Time:

10 to 15 minutes for introduction. One to two hours out-of-class time for research. One-half class period for discussion.

Procedure:

Have students identify eight to twelve items commonly purchased by people of their age. Items might include bicycles, movie tickets, compact discs, sweaters, haircuts, perms, wristwatches, etc. Divide the class into groups of two or three students. Assign one item to each group. Have students research the item they are considering. Are there any consumer reports, test results or repair records for the item? (The public library will have this information.)

Once students have some background information on the item, have them comparison shop in the community to identify sources from which the item might be obtained, the makes and models available from each source and the features and cost of each make or model. This information should be displayed in chart form.

When students have finished their comparison shopping, display all of the charts. Ask one or two groups to review their charts with the rest of the class, identifying the source and model which is most expensive, least expensive, highest quality, lowest quality, has the most features, the fewest features, etc.

Ask students whether it is possible to identify a single item which is the best buy for everyone. Emphasize that because peoples' needs, wants and priorities differ, they will have different ideas about what is the best buy. For example, some people will be more concerned about quality than cost, for others cost is the most important consideration.

Evaluation:

Examine students' charts in order to assess whether the objective has been achieved.

Additional Activities:

In small communities where there are limited opportunities to comparison shop, the following variations of this activity are possible:

- Use catalogues and fliers to comparison shop. Have students identify any special skills that are needed to comparison shop through catalogues.
- Compare local prices and prices for similar items in larger communities nearby. Discuss reasons why the same item sometimes costs more in a local store than in the city. Discuss why many people prefer to shop locally even if it does cost a little more.

ACTIVITY #2

COMPARISON SHOPPING FOR CLOTHES

Objectives:

Students will be able to:

1. Use evaluative criteria to compare similar clothing available from a variety of sources.
2. Identify which one of several criteria is most important to them personally in the purchase of a particular item of clothing.

Teacher Preparation:

Ensure that students have access to community resources.

Note:
This activity is an exercise in comparison shopping. The extent to which students are able to comparison shop and to buy from different sources varies, depending upon where they live. Students in the north or in rural areas may have access only to one or two stores and the Sears catalogue, while those who live in big cities have access to a great many different sources. Adapt the activity to fit the situation.

Time:

One-half class period for introduction. One to two hours of out-of-class time for research. One-half class period for preparation of charts.

Procedure:

Remind students that when they are buying clothes they should consider **fit, style, quality, price and versatility.** Write these points on the board. Then tell students to identify an item of clothing they are planning to get in the near future and to find two or more sources for that item. Sources might include:

- clothing swap with friends
- hand-me-down from parent or older brother or sister
- garage sale
- second-hand store
- catalogue
- department store (Bay, Eaton's)
- budget store (Zellers, Woolco)
- boutique

Students should then use the five criteria on the board to evaluate the item available from each source and to decide where they will get the best buy. Emphasize that different students will have different ideas about what constitutes a good buy. That is because their values differ. For one person style is most important, for another cost, and for yet another comfort. Students will have to decide which criterion is most important to them in order to select one source for the particular item.

Have students display their findings in chart form. Ask them to draw a conclusion about the best source for obtaining that particular item of clothing and write it on the board. Why is this source the best for them personally? In making this choice which criterion is most important to them?

Evaluation:

Assess whether Objective #1 has been achieved by examining students' charts. Do the charts indicate that students have examined the items of clothing, assessed them against the criteria and compared them to each other? Assess Objective #2 by reviewing the summary sentence at the bottom of the chart. Do students recognize that some criteria are more important to them than others and that they have chosen one particular source for the item on the basis of the most important criteria?

Additional Activities:

Use the information obtained earlier about the budgets of individuals and families whose income comes from social assistance, minimum wage employment and student loans. In this activity, students selected a particular item of clothing and comparison shopped a number of sources. Now, have students identify which sources are affordable for a person on a very low budget.

ACTIVITY #3

COMPARISON SHOPPING FOR FOOD

Objectives:

Students will be able to:

1. Illustrate that prices for similar food products vary considerably depending on the store in which they are purchased.

Teacher Preparation:

Duplicate a class set of the handout "Comparison Shopping".

Time:

10 to 15 minutes for introduction. One to two hours out-of-class time for research.

Procedure:

Distribute the handout "Comparison Shopping". Students can work alone or in pairs. They should assume that they are shopping for themselves and two room-mates. Ask students to visit at least two stores in their area and to determine where they would get the best buy on the items listed below. They should indicate the store where the item is found, the brand name of the item, its size, and its cost. They should also indicate the difference in cost between the most expensive source and the least expensive source of the item.

- peanut butter
- oranges
- margarine
- weiners
- laundry soap
- bacon
- potato chips

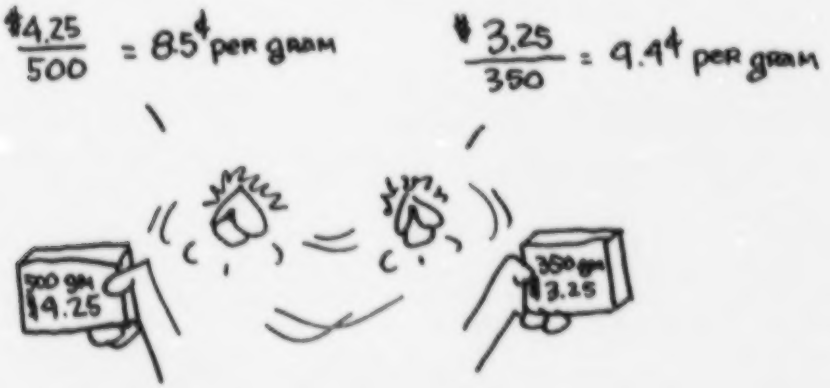
Students might compare prices in a convenience store (such as Mac's or 7-11) and one or more grocery stores.

Evaluation:

Have students submit their shopping lists. Examine students' comparative shopping lists.

Additional Activities:

In small communities there may be only one grocery store. In this situation, have students make a shopping list and compare the total cost of their groceries if they bought only the most expensive items and only the least expensive items.



STUDENT HANDOUT:

COMPARISON SHOPPING

To accompany Activity #3, "Comparison Shopping for Food"

Comparison shopping is one way to reduce the cost of food. There are several ways to compare food products in order to save money.

Unit Price

The unit price is the price you pay for any standard unit of the item. When you know the cost per unit, you can compare packages of different sizes to determine which is the better buy. Suppose that you want to compare a 500 gram package of cheddar cheese and a 350 gram package of mozzarella to see which is the best buy:

- The 500 gram package costs $4.25

$\frac{\$4.25}{500}$ = 8.5 per gram

- The 350 gram package costs $3.25

$\frac{\$3.25}{350}$ = 9.4 per gram

The 500 gram package of cheddar cheese is the best buy.

Brands

Most grocery stores sell two kinds of brands - name brands and no-name foods. Name brands include Heinz, Nabisco, Campbell's, Chef-Boy-Ar-Dee, etc. No-name products usually are in solid colour packages with the name of the product in bold black or blue lettering. They do not feature colourful labels or recognized names as do brand name products. Generally no-name products are cheaper than brand name, but the quality may vary. With brand name products you are reasonably sure of getting the same quality all the time.

Store Comparisons

Prices vary greatly between stores in the same town. Usually large chain supermarkets offer lower prices than do small convenience stores such as Mac's or 7-11. There are price differences even between supermarkets, however, so comparison shopping is important.

Similar Foods

Costs of similar foods can be compared. If pears are cheaper than peaches, perhaps you can use them instead in a fruit salad. Peanut butter is a good source of protein and is much cheaper than luncheon meat for sandwiches. Similarly, cabbage is usually cheaper than lettuce. Perhaps you can have coleslaw instead of tossed salad.

ACTIVITY #4

SECOND-HAND SHOPPING

Objectives:

Students will be able to:

1. Identify sources of second-hand items in their community.
2. Identify the advantages and disadvantages of buying particular items second-hand.

Teacher Preparation:

Ensure that students have access to community resources.

Time:

One class period.

Procedure:

Point out to students that most consumer items can be obtained second-hand. Sources for second-hand items include garage sales, ads in the paper, second-hand stores, friends and family members. There are some advantages to second-hand purchasing, the most important of these being cost. Second-hand items are always cheaper than those purchased new and sometimes can still give many years of good service. Buying second-hand is also a type of recycling, so it reduces garbage. Point out to students that the biggest disadvantage of buying second-hand is that items are sold "as is" usually without warranties or guarantees of any kind.

Divide the class into groups of two or three. Assign a different type of purchase to each group. Some possible types of purchase include clothing, dishes, furniture, household appliances, electronic equipment (stereos, TV's etc.), computers, bicycles, cameras, baby clothing and equipment, etc.

Tell each group to identify the sources from which their particular item might be obtained second-hand. For example, the classified ads in the paper, second-hand stores, department stores that take trade-ins, the Salvation Army or other types of thrift shops.

Next, they should make a list of the advantages and disadvantages of purchasing their particular item second-hand and a list of tips for shoppers who are seeking to obtain that particular item second-hand. Record all of students' sources for second hand items and all of the advantages and disadvantages of second hand shopping on a wall chart.

Evaluation:

In order to determine whether Objective #1 has been achieved, examine students' lists of second-hand sources for their particular item. Do students list the majority of second-hand sources in your community? In order to assess whether Objective #2 has been achieved, examine students lists of advantages and disadvantages of buying their particular item second-hand. Are the lists appropriate for that particular item?

Additional Activities:

In small communities where there aren't a lot of second-hand options, have students organize their own recycling sale. They would be responsible for advertising the event to the other classes in the school, collecting items, pricing, setting up displays, etc. At the end of the activity, have each student write a short paragraph describing the advantages and disadvantages of buying items second-hand.

Source: Adapted from: Green, Hayden. *Consumers in the Economy*. South-Western Publishing, 1988. Used with permission.

9. CHOICES AND CHALLENGES

For the Teacher

The shopping decisions made by consumers do influence the supply of goods and services available in the marketplace. When consumers refuse to buy an item, it soon disappears from retailers' shelves. One good example of this phenomenon is the mini-skirt. In the late 1980's fashion designers attempted to reintroduce the mini-skirt into the mainstream fashion market. It was rejected by all consumers except the very young.

When many consumers decide to purchase a good or service, the supply of that item increases. For example, in recent years, there has been an increased demand for environmentally-friendly products.

Individual shoppers and their marketplace decisions do make a difference.

Related Content

Module I, The Canadian Marketplace and You; Chapter B, The Consumer and the Economy; Topic 3, Supply, Demand and Competition.

ACTIVITY #1

CONSUMERS INFLUENCE WHAT'S FOR SALE

Objectives:

Students will be able to:

1. Identify goods and services which have been influenced by consumer demand.

Time:

10 to 15 minutes for introduction. 10 minutes out-of-class time for interviews. One-half class period for follow-up.

Procedure:

Explain to students that consumer preferences do influence the marketplace. The choices that consumers make when they are shopping influence the range of products and services available.

Divide the class into groups of two or three. Have each group interview a local businessperson who supplies goods and/or services. People interviewed can include grocery store managers, garage owners, beauty shop owners, etc.

Students should ask the person they interview to provide two examples of goods or services which they have stopped selling because there is little consumer demand. Students should also ask for two examples of goods or services that the business person stocks in greater quantity because of increased consumer demand.

At the conclusion of the activity compile a class list of goods and services in your community which have been influenced by consumers' shopping decisions.

Evaluation:

Consider the class list compiled by students in order to assess whether the objective has been met.

APPENDIX

LIST OF APPENDICES

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APPENDIX #1 - ORGANIZATIONS

Government Department of Consumer Affairs
Contact these agencies for information about consumer legislation. Some also provide educational services and information on specific products.

Consumer and Corporate Affairs Canada
Ottawa, Ontario
K1A 0C9
(819) 997-2938

Ontario Ministry of Consumer and Commercial Relations
555 Yonge Street
Toronto, Ontario
M7A 2H6

Alberta Consumer and Corporate Affairs
10065 Jasper Avenue, Capital Square, 7th Floor
Edmonton, Alberta
T5J 3B1
(403) 427-2201

British Columbia Ministry of Consumer and Corporate Affairs
940 Blanshard Street
Victoria, British Columbia
V8W 3E6
(604) 387-6831

Manitoba Consumers' Bureau
307 Kennedy Street
Winnipeg, Manitoba
R3C 0V8
(204) 956-2040 in Winnipeg
(800) 262-8844 outside Winnipeg

New Brunswick Consumer and Corporate Affairs Branch
Department of Justice
Box 6000
Fredericton, New Brunswick
E3B 5H1
(506) 453-2659

Newfoundland Consumer Affairs Division
Department of Justice
Elizabeth Towers, Box 999
St. John's Newfoundland
A1C 5T7
(709) 737-2600

Northwest Territories Consumer Services
Department of Justice and Public Services
Government of the Northwest Territories
Yellowknife, Northwest Territories
X1A 2L9
(403) 873-7125

Nova Scotia Department of Consumer Affairs
Consumer Services Division
5151 Terminal Road, Box 998
Halifax, Nova Scotia
B3J 2X3
(902) 424-4690

Quebec Office de la Protection du Consommateur
6, rue de l'Université
Rez-de-Chaussée
Quebec, Quebec
G1B 5J8
(418) 643-1557

Saskatchewan Family Foundation
Consumer Education and Marketplace Relations Branch
1871 Smith Street
Regina, Saskatchewan
S4P 3V7
(306) 787-3938

Yukon Territory Department of Consumer and Corporate Affairs
Government of the Yukon Territory
Box 2703
Whitehorse, Yukon Territory
Y1A 2C6
(403) 667-5312

Consumers' Association of Canada
The Consumers' Association of Canada is an advocacy group for consumers. It speaks out on issues of importance to consumers. As well, it tests specific products and services and makes the results of its test available to consumers.

Consumers' Association of Canada
National Office
Box 9300
Ottawa, Ontario
K1G 3T9

Alberta Office:
304 - 10136 - 100 St.
Edmonton, Alberta
T5J 0P1

British Columbia Office:
103 - 163 West Hastings
Vancouver, British Columbia
V6B 1H5

Manitoba Office:
21 - 222 Osborne St. S.
Winnipeg, Manitoba
R3L 1Z3

Newfoundland Office:
92 Old Topsail Rd.
St. Johns Newfoundland
A1E 2A8

Northwest Territories Office:
Box 995
Yellowknife, Northwest Territories
X1A 2N7

Nova Scotia Office:
Box 1867
Stellarton, Nova Scotia
B0K 1S0

Ontario Office:
403 - 234 Eglinton Ave. E.
Toronto, Ontario
M4P 1K5

Quebec Office:
4823 Sherbrooke St. W.
Montreal, Quebec
H3Z 1G7

Saskatchewan Office:
136 Ave. F South
Saskatoon, Saskatchewan
S7M 1S8

Environmental Associations
A few national environmental associations are listed below. Check the local phone book or with your public library for information about environmental associations in your area.

Canadian Environmental Network (CEN)
P.O. Box 1289, Station B
Ottawa, Ontario
K1P 5R3

Canadian Nature Federation
453 Sussex Drive
Ottawa, Ontario
K1N 6Z4

Canadian Wildlife Federation
1673 Carling Avenue
Ottawa, Ontario
K2A 3Z1

Directory of Canadian Women Specializing in Global Issues
c/o Canadian Council for International Co-operation
1 Nicholas Street, Suite 300
Ottawa, Ontario
K1N 7B7

Environment Canada
Environment Protection Service
Ottawa, Ontario
K1A 1C8

Friends of the Earth
251 Laurier Avenue West
Suite 701
Ottawa, Ontario
K1P 5J6

Greenpeace
Ontario Branch Office
580 Bloor Street West
Toronto, Ontario
M6G 1K1

Pollution Probe
12 Madison Avenue
Toronto, Ontario
M5R 2S1

Solar Energy Society of Canada
11 York Street
Ottawa, Ontario
K1N 5S7

World Wildlife Fund Canada
60 St. Clair Avenue East
Suite 201
Toronto, Ontario
M5T 1N5

Other Organizations

The agencies listed below are mentioned in the body of **Project Real World** and users are referred to the appendix for full addresses.

Canadian Standards Association
178 Rexdale Boulevard
Toronto, Ontario
M9W 1R3

Canadian Radio, TV and
Telecommunication Commission (CRTC)
Ottawa, Ontario
K1A 0N2

Health Protection Branch
Health and Welfare Canada
Ottawa, Ontario
K1A 0L2

Direct Sellers Association
4950 Yonge Street, Suite 1400
North York, Ontario
M2N 6K1

APPENDIX #2 - WORKING IN SMALL GROUPS

Small group learning units are a good way to increase teacher and student communication.

Small groups increase flexibility and help students adopt more independent and responsible learning methods and become more self-disciplined (Stanford 1977).

With small groups, students can become active participants in the classroom, and more motivated to achieve.

The purpose of small group learning is to share information, solve problems, make decisions or help each other learn content or process.

Tips for using small groups:

1. Use groups of 4 to 8 students.
2. Provide space with proper furniture and good acoustics.
3. Make sure that group leaders fully understand their role.
4. Make sure that group members fully understand their role.
5. If necessary, give students background information on the topic being discussed.
6. The topic should stimulate thinking and help students realize that any number of "correct answers", and a variety of legitimate viewpoints can exist.
7. Give students clear objectives. What is the purpose? (You may wish to have students define the objectives.)
8. The classroom climate should be friendly and nonthreatening. Group members need acceptance, trust and security so that they can contribute freely, without teacher or other pressure or censure.

Kinds of Small Groups
Depending on what you want to do - what your topic or task is for the students - there are different types of small groups you can use:

1. **Discussion Group**
   - A discussion group encourages students to become involved with their peers. It recognizes the importance of being able to work with others.
   - The teacher must provide students with sufficient background information for the discussion of a clear understanding of the objectives.
   - This is a good way to handle classroom, community or national issues.
2. **Brainstorming Group**
   - Brainstorming is a fun way to encourage creative thinking and problem-solving.
   - It stimulates individual student's participation and is nonthreatening so can draw out shy students.
   - Students, in a set time, are asked to come up with as many ideas or suggestions on a topic as they can.
   - Quantity of ideas is desired, freewheeling is effective and hitchhiking on their group or individual ideas is permitted.
   - Judgement is deferred until the end and criticism is not allowed.
   - This is a good way to introduce students to other small group work.

3. **Buzz Group**
   - Small clusters (4 to 7 students) are grouped for a short time (5 to 10 minutes) to seek the solution to an issue or problem.
   - A recorder and leader are chosen quickly in each group.
   - Alternatives to the issue are sought. The pros and cons of these are considered, agreement is sought and a solution is proposed.
   - Teachers can use Buzz groups on many occasions in the classroom. For example, when an issue is raised during a lesson, you can announce a buzz group session to explore it.

4. **Think-Pair-Share Group** (Lyman, 1985)
   - This method extends students' thinking and interaction.
   - The teacher begins with a short presentation on the topic. To encourage students to consider more fully what was explained, the teacher poses one question and asks students to spend a minute or two thinking alone about the issue.
   - Students are then assigned to pairs to share what they were thinking. One student makes a statement and the other must paraphrase it until the position of the student who made the statement is understood. This is followed by a reversal of the statement-maker and paraphraser roles.
   - Students (pairs) then report back to the whole group or other pairs.

5. **Problem Solving Group**
   - Group members, in a systematic way, seek the solution to a problem.
   - Problem-solving groups are based on the "Scientific Method."

   The steps are:
   - **problem definition,**
   - **brainstorm the likely causes of the problem,**
   - **decide the most likely cause,**
   - **brainstorm potential solutions,**
   - **select the most likely solution** (based on determination of pros and cons of alternatives), and
   - **decide when and how to implement the solution.**

6. **Tutorial Group**
   - Tutorial groups are set up to help students who need help or additional practice or for students who can benefit from enrichment.
   - A tutorial group is led by the teacher or by a student.
   - Greater attention to individual needs is possible and students can participate more actively when tutorial groups are used.

7. **Laboratory Group/Investigative Group**
   - A laboratory group is formed to complete a project, do an experiment, or practice something that has been presented by you.
   - A common example is a chemistry laboratory group.

8. **Role-Playing Group**
   - In a role-playing group, each group member is assigned a role to assume on a controversial topic.
   - Students may or may not agree with the stance they have been given to present or defend.
   - A role-playing group can bring out all sides of an issue or help students learn to understand the ideas or feelings of others.

9. **One-Three-Six Group**
   - The one-three-six group method can be used at almost any time during a lesson.
   - Students are asked, as individuals, to record their opinion on an issue. Then each student is asked to join two other students (form groups of three) and come to an agreement.
   - Two groups of three join and seek consensus.

10. Panel, Symposium, Forum, Dialogue and Round Table

- Rather than the teacher presenting information and ideas through lectures, assigned questions or readings, students can play an active part in their learning.
- This can be done by setting up a:
  - **panel** (a group of students discuss a topic before a class - chaired by either the teacher or a student),
  - **committee** (a group of students learn about a topic and report),
  - **symposium** (several students become "experts" in a topic and give brief presentations to the class),
  - **forum** (a class discussion in which a problem is explored through questions and answers and short statements under the guidance of a chairperson),
  - **dialogue** (two people discuss a topic in front of the class),
  - **round table** (a group of students discuss an issue in front of a class).
- Students find these methods motivating. The teacher can provide a summary to ensure that content is organized, correctly understood and that it links to what is being studied.

11. Value-Clarifying Group

- Groups are presented with a value-laden topic.
- Each group is asked to find a number of solutions, discuss the pros and cons of these alternatives and decide.
- The idea is for students to clarify their values and learn to understand and tolerate the values of others.
- Value-clarifying groups should be used with care.
- This is a controversial method. Some educators believe it to be motivating and invaluable for developing critical thinking skills; others believe the approach to be superficial and laden with inadequacies and problems.

The Teacher's Role in Small Groups

- Communicate objectives, select the topic or assignment and ensure the task is understood.
- Decide the size of the group.
- Assign the students to groups.
- See that the room is arranged to accommodate group work.
- Provide appropriate materials.
- Set the period for completion of the task.
- Inform the group of the behavior expected and teach interpersonal and group skills.
- Act as a resource person and monitor.
- Intervene as necessary to solve problems or to teach group skills.
- See that group effectiveness is monitored.
- Evaluate the product of the group and the individuals in it.
- Encourage a classroom climate that is nonthreatening and friendly.

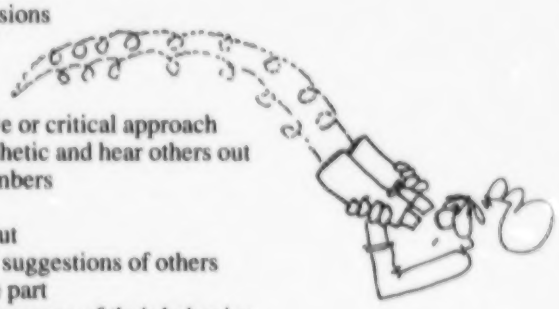
The Students' Role in Small Groups (Stanford and Rourke, 1974)

- **Initiator** - gets discussion underway, helps the group organize, and keeps it moving toward the goal.
- **Contributor** - offers opinions, facts, anecdotes, or examples that could help the group solve the problem.
- **Clarifier** - helps make sure that the terms, the problem and contributions by group members are understood by all. If needed, the clarifier suggests that added information be sought.
- **Summarizer** - helps keep discussion relevant and to the point by bringing together and summarizing what has been discussed or learned to date. The summarizer also makes sure that everybody in the group understands where the group stands on an issue.
- **Evaluator** - keeps track of how well the group is progressing in its task and tactfully points out problems the group is having in working together.
- **Recorder** - records the main points of the discussion and a summary of the group's discussion. On occasion what was recorded is read back to help the group recall what was covered during discussion or to make sure that it is accurate.
- **Encourager** - facilitates participation by listening carefully, being friendly, complimenting members for their contributions and inviting participation.
- **Harmonizer** - is the peace-keeper, the "one who throws oil on troubled waters" by relieving tension (perhaps through humour), settling disputes, helping the group work out disagreements and suggesting compromises.

Characteristics of Effective Group Members.

Teach members to:

- be on time and attend all group sessions
- take an active part and contribute information and ideas
- contribute to group maintenance
- have a positive, rather than negative or critical approach
- listen when others speak, be empathetic and hear others out
- respect and interact with other members
- respect individual differences
- avoid prejudices and keep biases out
- seek, and be open to, the ideas and suggestions of others
- encourage non-contributors to take part
- accept responsibility for the consequences of their behavior
- be sensitive to the feelings and concerns of others
- avoid self-serving, judgemental, blaming, grandstanding or storytelling behavior
- be genuine and open
- support others and help them articulate their ideas
- help the group by summarizing, clarifying, mediating, praising and encouraging
- use problem-solving, decision-making, and conflict resolution frames of reference
- act as group leader, recorder, or group effectiveness monitor as appropriate



The duties of the group leader are to:

- see that the "problem" is clarified
- get discussion started
- keep discussion moving
- see that all phases of the problem are brought out
- keep discussion on topic
- encourage full participation and draw out "non-talkers"
- be objective
- rephrase, clarify statements or have others do this
- see that summaries or conclusions are made
- see that all members are treated with respect
- respect the confidence of the group
- report, or see that the thoughts of the group are fairly reported

The duties of participants are to:

- contribute a reasonable quantity of ideas and experiences
- keep prejudices out (at the very least, recognize them as such)
- keep on topic
- avoid "story-telling" and engaging in long, drawn-out arguments
- avoid making speeches to show off
- help phrase ideas and statements
- show respect for the ideas and opinions of others
- confine the argument to ideas and not engage in personal attacks
- help make summaries and reach a conclusion
- act as recorder or discussion evaluator as assigned.

Advantages of Using Small Groups

1. **Increased resources.** "Two heads are better than one." A group has access to more information and has a broader background than does any individual. More insights are likely to occur. A group can create more ideas.

2. **Members are often stimulated by others.** Members may be motivated to help the group succeed for social approval reasons. "Ideas beget ideas." "Hitchhiking" occurs (i.e., what one person thinks of or says may prompt an idea in another person, or suggestion by one person may be improved or extended by another).

3. **Better decisions can result.** Groups can produce better decisions than students working separately. Ideas can be clarified, refined, combined and evaluated through the interaction of group members; therefore, decisions should be superior.

4. **Group members may have a stronger commitment.** If group members help hammer something out, they tend to feel a stronger commitment to accept the result and follow through.

5. **Students are more actively involved.** Participation is more likely to be active rather than passive. This increases motivation, participation, learning, retention and commitment.

6. **Personal and social learnings take place.** Increased understanding of self, others and group processes can result. Interpersonal and social skills can be improved and an increased self-concept can result. Prejudices can be reduced. Students gain insights into the attitudes, reactions and sensitivities of others and may examine and modify their behavior. Ability to contribute rationally and constructively can be improved.

7. **Peer teaching is advantageous.** Studies confirm that peer teaching is powerful. Some things are learned better and faster when taught by peers. Ideas are put in "student language" rather than "teacher language," examples and explanations used by peers are often more relevant to students than teacher or text examples.

8. **Learning may be deepened.** Often material is easily forgotten since it often is just memorized and not really understood when direct teaching methods are used. When small groups are used it is more likely that students will understand the thinking skills or processes involved. When this occurs, learnings are more likely to be transferred to new situations.

Limitations of Using Small Groups

1. **Group decision-making takes time.** More time is required for decision-making or planning when it is done by a group than when it is done by an individual. The views of all must be heard and disagreements may occur that take time to resolve. No doubt, more material can be covered through methods such as lectures.

2. **Time may be seen to be wasted.** Discussions, if not well conducted, not only take time, they can waste it. Without able guidance or the use of group skills, discussion can wander, be misled, hindered, concerned with trivia, or lack of conclusiveness.

3. **Convictions may be suppressed.** Some members may conform just to avoid confrontation or risk censure. Less aggressive students may not be given a chance to present their ideas.

4. **Some tasks are better done by individuals.** Routine or simple tasks, or information acquisition may be better done by individuals.

5. **Talk may be substituted for action.** "Visiting" may take precedence over productivity. In some situations, groups may tend to be indecisive since no one person is solely responsible for action. One or two individuals may do all the work and other members may merely "ride on their coat tails".

6. **Some students prefer to work alone.** Unless the benefits of group work are taught, some students may rather work alone. They may feel they can learn better alone. Some individuals may be shy, lack social skills, or feel they will not be accepted.

Most of these disadvantages can be overcome by effective use of the small group teaching method. This, of course, requires careful planning, instruction and monitoring.

Assessing Small Group Effectiveness

You can tell if a group is going well. The climate is positive, people are on task and seem to be enjoying themselves. Everybody seems involved and discussion does not "drag."

You can assess how well a group is going by asking key questions. These can form the basis of making the group more effective. You can ask yourself why a particular pattern or behavior occurs and what you can do about it.

1. **Influence and Leadership**
   - Does anybody seem left out?
   - Does somebody dominate?
   - Is there rivalry?

2. **Communication**
   - Who do people look at when they talk?
   - Who talks to whom? How long? Who interrupts?
   - Are there sub-groups (cliques)?
   - What is the style? (questions, gestures, statements, tone of voice)

3. **Decision-making**
   - How are decisions made? Consensus? Voting?
   - How do members react to the decisions made?

4. **Atmosphere**
   - Is the climate happy? Tense? Apathetic?
   - Does the group stay on topic?
   - Are efforts made to include and respect all?

Good luck with your small groups!

Adapted from: Lang, H., with McBeath, A. (In Progress). *Fundamental principles and practices of teaching: A practical theory-based approach to planning and instruction.* Toronto: Holt, Rinehart & Winston. Used with permission.